



Daily Report

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Daily Report

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1 June 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Foreign Ministry Denounces Attack on Hosokawa

OW0106094794 Tokyo KYODO in English 0930
GMT 1 Jun 94

[Text] Beijing, June 1 KYODO—The Chinese Foreign Ministry on Wednesday [1 June] denounced an incident two days ago in which a gunman threatened former Prime Minister Morihiro Hosokawa in a Tokyo hotel by firing a shot at the ceiling.

"It is an act which does not win the hearts of the people to terrorize a politician who took a wise attitude on the issue of Japan's past invasion," according to a comment released by the ministry's information department.

The assailant told police that he was angered by Hosokawa's apology, when he was premier, for Japan's wartime actions.

UN Envoy Views Issue of Refueling DPRK Nuclear Reactor

OW3105123194 Beijing XINHUA Domestic Service
in Chinese 1058 GMT 31 May 94

[By Wang Pingxing (3769 1627 5281)]

[Text] United Nations, 30 May (XINHUA)—A presidential statement adopted by the UN Security Council [UNSC] this evening calls for immediate consultation between the International Atomic Energy Agency [IAEA] and the DPRK on technical measures for replacing the nuclear fuel rods of the latter's nuclear reactor.

The statement urges the DPRK to replace the fuel rods of its 5-megawatt reactor "in a manner that preserves the technical possibility of fuel measurements" as required by the IAEA.

The statement also urges IAEA inspectors to stay in the DPRK to monitor the 5 megawatt-reactor.

Speaking during the UNSC consultations, Li Zhaoxing, China's permanent representative to the United Nations, pointed out: Because of their joint efforts, all parties concerned have achieved a series of successes in handling the DPRK nuclear issue. These hard-earned successes should be cherished. Certain problems have now appeared with regard to the refueling of the 5 megawatt-reactor, we hope the IAEA and the Koreans will continue their consultations on the technical measures for monitoring the refueling and make efforts to reach agreements as early as possible.

Li Zhaoxing reiterated China's stand on this issue, saying that the fundamental way to settle the DPRK nuclear issue is by dialogue and negotiations through channels that have been established. He said: China does not endorse any action that may exacerbate contradictions. As a signatory of the Nuclear Nonproliferation Treaty, China, as always, does not support or encourage nuclear proliferation. He said: "We have been looking forward to a proper solution to the DPRK nuclear issue through proper channels so that

peace and stability can be maintained in the Korean peninsula and so that there will be a nuclear-free Korean peninsula. We are ready to make continual efforts to attain this goal."

China-Southeast Asia Commercial Committee To Be Set Up

HK3005154794 Beijing ZHONGGUO XINWEN
SHE in English 1324 GMT 30 May 94

[Text] Beijing, May 30 (CNS)—With the approval of the Ministry of Civil Affairs, a non-government commercial body, namely the China-Southeast Asia Commercial Committee, will be set up in China in a bid to develop economic and trade relations between the country and Southeast Asian countries. Following preparations for over one year, the committee is about to be formally established in Haikou on June 5.

Being neighbours of China, some countries like Singapore and Thailand in Southeast Asia have set up commercial groups to specialize in economic cooperation and trade with China which, however, has no corresponding non-government bodies to deal with commercial relations with these countries. Adverse impacts on economic cooperation and trade between China and the Southeast Asian countries have been seen to a certain extent.

The Executive Vice Chairman of the National Committee of the China Pacific Economic Cooperation, Mr. Chen Luzhi, will be the director of the new group while the Chairman of Board of Directors of the China Import and Export Bank, Mr. Tong Zhiquang, and the Vice Governor of Hainan Province, Mr. Mao Zhijun, will be honorary directors.

As Hainan is the province in China to see the shortest distance from the country to the Southeast Asia region and is the largest special economic zone, it can act as a bridge between China and Southeast Asian countries in order to promote economic cooperation and trade between them.

A seminar on re-export trade with Southeast Asia and on border trade will be held following an inaugural meeting of the commercial body.

Two Chinese Groups Among WHO Health Award Winners

OW3005113094 Beijing XINHUA in English 0933
GMT 30 May 94

[Text] Manila, May 30 (XINHUA)—One health official and four organizations including two from China were chosen to be bestowed with the World Health Organization's (WHO) 1994 Tobacco or Health Award for their continuing effort and support in fighting tobacco.

The awardees were announced here today by the WHO regional office for the western Pacific.

The award, which highlights the observance of the World No-Tobacco Day on May 31 each year, is presented annually to a very selected number of individuals and

institutions for their continuing commitment to promoting a tobacco-free society through research or health promotion activities.

It is intended to make governments, communities, groups and individuals aware of the health hazards of smoking and encourage them to take appropriate action, the who said.

The five awardees for this year in the western Pacific region are Philippine Health Secretary Juan Flavio; Buchun [spelling of name as received], YMCA, South Korea; Cathay Pacific Airlines, Hong Kong; and the Chinese Association on Smoking and Health as well as the Health Bureau of Jishan County, Shanxi Province of China.

At present, three million people die of tobacco-related diseases worldwide every year, WHO said, warning that if the current trend continues the death toll from smoking would reach 10 million by 2025 and 70 percent of them would be in the developing world.

In view of the aggressive promotion on the part of the tobacco companies, which have predicted a 33 percent increase in tobacco sales in the western Pacific region before the end of the century, the who has launched a program aimed to ban tobacco advertisements completely in the western Pacific region by the year 2000.

This year's World No-Tobacco Day links the media to fighting smoking with the theme of "The Media and Tobacco: Getting the Health Message Across."

In bestowing the award to Flavio today, WHO's regional director for western Pacific Dr. S.T. Han challenged the media to help bring about a significant change in tobacco consumption "by instigating a truly dynamic health information campaign on the danger of smoking."

He also urged the media to support anti-tobacco legislation.

Journalists Interview UN Official on Women's Conference

OW2905151494 Beijing XINHUA in English 1430 GMT 29 May 94

[Text] Beijing, May 29 (XINHUA)—Gertrude Mongella, visiting secretary-general of the Fourth World Conference on Women, said here today that she was very pleased to see that "China is really determined to make the conference a success."

She made these remarks in an interview here this afternoon with a group of Chinese journalists while talking about her impressions from her study tour of China.

Mongella said that as with the three previous world women's meetings, "the main focus of the fourth conference has been on the advancement of women in the areas of equality, development, and peace."

She noted that the Third World Women's Conference in 1985 adopted the Nairobi forward-looking strategies for

the advancement of women to the year 2000, covering almost all problems in society.

The fourth conference, to be held here next year in Beijing, will focus on limited critical issues such as the impact of growing poverty on women, equal chances for women's education, women and problems related to their health, violence against women, the effects of armed conflict and other conflicts on women, and equal women's participation in the definition of economic structures, policies and productive forces.

She told the journalists that in making preparations for the conference, each member state "should write a report" on its achievements and obstacles in implementing the Nairobi strategies and suggesting actions as well.

She said she also expects the member states to conduct a wide discussion of these concerned areas among men and women and in government and non-government circles.

Mongella announced five regional conferences to be held in the Asia-Pacific region, Latin America, West Asia, Europe and Africa in preparation for the fourth conference.

She expressed the hope that Chinese journalists will do more promotion of the conference to work for its smooth staging and to inform the 1.2 billion Chinese people about it.

It is imperative for Chinese journalists to popularize Chinese women's achievements so that more people in the world will understand China and Chinese women, she said.

This is also one of the major aims of the fourth world conference, she added.

Mongella said she was "very impressed" by the women, particularly the strength of women in China, adding that she believed that very few people in the world know the truth about women in China.

But, she said, when they come to recognize how much the women of China have achieved, especially in their work and managing capabilities and rights for equal work, they will feel surprised.

During the interview Mongella also answered a series of questions, including her comments on working women in China.

UN Grant Used To Build Ship Sewage Treatment Plant

OW2905130794 Beijing XINHUA in English 1153 GMT 29 May 94

[Text] Shanghai, May 29 (XINHUA)—Construction of the Shanghai ships' sewage treatment plant, financed largely by a grant from a United Nations fund for global environmental protection and loans from the World Bank, has just started.

Local officials said Friday [27 May] that the project will cost 120 million yuan (about 13.79 million U.S. dollars), of

which 4.31 million U.S. dollars will be covered by donated money from the U.N. fund and another 6.23 million U.S. dollars will be covered by World Bank loans.

The plant will be built and managed by the Shanghai Maritime Transport (Group) Co. The plant at Waigaoqiao, Shanghai, will have a 300m waterfront, with a dock to handle ships with 35,000 dead weight tonnages. It will be equipped with modern greasy dirt and sewage treatment facilities.

The whole project is expected to be finished in 1995. By then, the plant will help treat 400,000 tons of greasy dirt and sewage and 100,000 tons of water polluted by chemicals a year.

Construction of similar environmental protection projects has also started in five other port cities: Dalian, Tianjin, Ningbo, Xiamen and Guangzhou.

The building of the projects in these six ports will involve use of a total of 30 million U.S. dollars of donated money from the U.N. fund and 15 million U.S. dollars of loans from the World Bank.

Chinese Delegate Addresses UN Development Commission

OW2805064594 Beijing XINHUA in English 0544 GMT 28 May 94

[Text] United Nations, May 27 (XINHUA)—The international community should take a positive approach in handling the relationship between trade and the environment, a Chinese delegate told the U.N. Commission on Sustainable Development.

Zhang Kunmin, head of the Chinese delegation, made these remarks while addressing high-level members of the commission on Thursday [26 May].

He said that trade policy measures for environmental purposes should not be turned into means towards unjust discrimination or limitations on international trade.

He added that any environmental measures aimed at solving cross-boundary and global environmental issues should be based on international consensus.

The commission, a watchdog body set up to monitor progress after the U.N. Conference on Environment and Development—known as the Earth Summit—held its second session on May 16-27.

The Chinese delegate called attention to the following points in taking a positive approach toward the question of trade and the environment.

First, development and trade and environmental protection should be made to promote and complement each other instead of being antagonistic.

In handling the relationship between trade and the environment, a long-range, positive approach should be followed, and efforts should be made in both fields. Any unbalanced approach which would hurt one or the other should be avoided.

Second, the focal point should be on measures benefiting the greatest number of people, he said.

Since only a limited number of countries possess advanced and environmentally sound technologies and products and the financial ability to popularize them, efforts should be made to ensure that mankind can benefit from them through open, nondiscriminatory and equitable international trade, and through technology transfer and cooperation.

He urged particular efforts against trends based on narrow business interest considerations, and those unjustly harmful to the trade opportunities of developing countries.

Finally, he said, emphasis should be placed on assistance and support.

To combine trade with sustainable development, corresponding means and abilities are needed, particularly financial and technological resources.

He urged the international community to help developing states build and improve their abilities through real action, including financial support, technology transfer and the opening of markets.

The Chinese delegate called on the international community to carry out the commitments made at the Earth Summit as soon as possible and as effectively as possible.

Zhang said he expects the commission's deliberations on trade and the environment to have a positive impact on the relevant discussions in the General Agreement on Tariffs and Trade and the U.N. Conference on Trade and Development.

World Bank Approves Loan for Yanzhou Thermal Power Plant

OW2905152894 Beijing XINHUA in English 1454 GMT 29 May 94

[Text] Beijing, May 29 (XINHUA)—The World Bank recently approved a 350 million U.S. dollars loan for China in the construction of the Yangzhou Thermal Power Plant while providing a guarantee for the bank's extended Co-Financing Operations Program (ECO), also for the plant project.

The ECO program agreement worth 120 million U.S. dollars was signed here today between China's Ministry of Finance and more than a dozen banks from six countries involved in the program.

This is the first financing for China under the World Bank's ECO. The project is one of China's largest energy projects to date, and the financing also represents the first syndicated loan financing undertaken by the Ministry of Finance on the international market.

Present at the signing ceremony were Chinese Premier Li Peng, Minister of Finance Liu Zhongli, Minister of Electricity Shi Dazhen and senior Jiangsu provincial officials.

The Yangzhou Thermal Power Plant Project, about 100 km from Nanjing, the Jiangsu provincial capital, includes

the construction of two 600-megawatt coal-fired generating units and ancillary facilities as well as two 30-km high-voltage transmitting lines.

The whole project involves a total investment of 1.3 billion U.S. dollars, of which 470 million U.S. dollars are coming from the World Bank and the ECO program. The remainder will come from domestic sources.

The ECO financing consists of two parts: a 90 million U.S. syndicated loan facility involving 12 banks from six countries and a 30 million U.S. dollar-equivalent yen facility provided by four Japanese life insurance companies. Both facilities carry a 15-year final maturity and a 5-year grace period, with all principal repayment after 10 years fully guaranteed by the World Bank.

An official from the finance ministry said the first syndicated ECO program extended the loan to 15 years from the earlier period of ten years. This, he noted, has opened a new channel for China to use more overseas capital, including financing from the World Bank.

United States & Canada

Daily Comments on Renewal of MFN Status

HK2705120094 Hong Kong HSIN WAN PAO in Chinese 27 May 94 p 4

["New Talk" column: "United States Extends China's Most Favored Nation Status for Another Year"]

[Text] After a protracted effort, U.S. President Bill Clinton has finally "turned around." He announced yesterday afternoon (0400 Asian time) the U.S. decision to extend China's Most Favored Nation (MFN) trading status for another year, going against the statement he made the same time last year that he might completely rescind China's MFN trading status next year.

In fact, Clinton almost made up his mind to "turn around" last fall. He made the first step toward this end by going to Seattle to preside over the Asian summit and by meeting with PRC Chairman Jiang Zemin for the first time since assuming office.

By that time, the United States had developed a new outlook on the international situation. After the dramatic changes in eastern Europe, the relations between the United States and Western Europe were not as close as they had been immediately following World War II. This was most clearly seen in the fact that several U.S. proposals for settling conflicts in former Yugoslavia were rejected by western countries. After the disintegration of the former Soviet Union, the United States sought to improve its relations with Russia. However, Yeltsin's position in Russia has been shaky, and he was not even able to appoint his trusted follower Gaidar as prime minister. Therefore, the importance of Russia for U.S. politics is questionable in the future.

Apart from political problems, there are economic problems. It is clear that Asia will grow further economically. President Clinton, who did not attach importance to Asia

in the first part of his presidency, changed his outlook in the second half of the year. He felt it necessary to increase U.S. influence in Asia by establishing friendly ties with Asian countries anew so that the U.S. economy could draw new life from developing countries in this region, while China registered the greatest economic growth among Asian countries.

Over the last six months, the United States has adopted a carrot-and-stick policy toward China. While sending Secretaries of the Treasury, Commerce, and Agriculture to China to improve bilateral relations, Clinton sent Secretary of State Warren Christopher to China to apply pressure. Christopher tried to accomplish his task by bringing China to her knees.

The United States has actually been following the beaten path. In order to return to Asia, it has applied heavy pressure on Asian countries over the last six months. It has applied pressure on Malaysia and Indonesia over the trade union problem and on Singapore over the caning punishment inflicted on an American youth. It has also threatened to impose trade sanctions upon Japan under the Special 301 provision in connection with Japan's market barriers to U.S. goods and has threatened to use force against North Korea on the nuclear issue. However, these countries all rejected the U.S. demands.

China's approach has been open and above-board. While expressing its willingness to improve relations with the United States and sending trade groups to the United States to place orders, China has opposed the high U.S. pressure. In the end, Clinton was forced to "turn around" on his own, correcting the mistake he made a year ago. To soothe different political factions at home, he played tricks in the wording of the decision and the measures concerned to cover up his embarrassment.

He announced that he would extend China's MFN trading status for another year, rather than extending the status indefinitely, as favored by the majority of American people. While indicating that he will not link human rights with MFN trading status in the future, he insisted on imposing certain sanctions. But he will only impose sanctions on weapons valued at \$200 million, while the Sino-U.S. trade volume will amount to \$40 billion in the future.

The problem concerning trade between China and the United States, about which the two sides have been haggling for a long time, has finally been solved because the United States has withdrawn from its original position, though not without "embarrassment."

Beijing International Beam on MFN Status Renewal

OW2905022694 Beijing China Radio International in English to Western North America 0400 GMT 28 May 94

[Report by China Radio International correspondent Lin Shaowen; place and date not given—recorded]

[Text] President Clinton announced the decision [on renewal of China's most favored nation (MFN) status] on Thursday [26 May]. He told the White House press conference that his country should see relations with China within the broader context of policy in the Pacific-Asian [as heard] region. He said China has one of the fastest-growing economies in the world, and U.S. exports to China last year were valued at more than \$8 billion, creating job opportunities for 150,000 Americans. But Clinton also said the U.S. would maintain the existing sanctions imposed on China since 1989.

China has welcomed the decision on the renewal of the MFN. The Chinese Foreign Ministry issued a statement on Friday, saying that the decision would create favorable conditions for the further strengthening and expansion of trade and economic cooperation between the two sides, and the improvement and development of relations overall. It said the decision serves the fundamental interests of both countries and peoples. The Foreign Ministry said MFN, which is granted by both the U.S. and China, is beneficial to both sides.

The Foreign Ministry said China has consistently opposed linking MFN with issues not concerned with trade, or attaching conditions and requirements. The statement expressed regret for the maintenance of U.S. sanctions against China, stressing that the U.S. side has made unjustifiable accusations about China's human rights situation. It said this decision constitutes an interference in China's internal affairs, which is absolutely unacceptable to China. It hoped that the U.S. Government would lift all sanctions against China at the earliest possible date, and abandon all measures detrimental to the development of bilateral relations.

The Foreign Ministry statement said China and the United States share a broad range of interests. The current situation offers a historic opportunity for the enhancement of Sino-American relations. The Chinese Government attaches importance to such relations, and has made and will continue to make major efforts for their improvement and development. The statement believes that Sino-American relations will enjoy smooth and healthy progress so long as both sides strictly abide by the guidelines and principles outlined in the three Sino-American joint communiques, develop mutual trust, reduce trouble, develop cooperation, and refrain from confrontation.

Commentary Views MFN Decision, Sino-U.S. Ties

HK2905081694 Hong Kong TA KUNG PAO in Chinese 29 May 94 p 2

["Weekly commentary" by Kung Yao-wen (7895 5069 2429): "The Favorable New Conditions Created for Sino-U.S. Economic and Trade Cooperation"]

[Text] Clinton "Changes His Stand"

The most-favored-nation [MFN] trading status, which had complicated Sino-U.S. ties for a long time, reached a decisive period this week and became the focus of the

Asia-Pacific region and the world at large. As a matter of fact, many people had already predicted before U.S. President Clinton's formal announcement that he would inevitably reverse what he said last year. Clinton had to "change his stand" because he did not have many options. In the face of political, economic, and even strategic realities, the United States simply cannot revoke China's MFN trading status at this moment and wage a trade war with China. But the U.S. political leadership refuses to acknowledge the improvements that China's socialist modernization program has brought to the people's livelihood and democratic rights. As a result, Clinton extended China's MFN for another year, even though he said that the situation of China's human rights had not met the requirement of "overall progress" that he set last year. Meanwhile, Clinton also stated that human rights will be delinked from MFN in future annual assessments.

Clinton's policy readjustment has been welcomed by the Chinese and American people. The industrial and commercial circles in Hong Kong and the surrounding areas can have a breathing spell. If Sino-U.S. mutual benefit and cooperation are harmed by problems other than trade, it will have a far-reaching influence. When the interference of the controversy over human rights is removed from Sino-U.S. economic and trade relations in the future, it will be conducive to the steady development and cooperation between the two countries as well as to the prosperity of the Asia-Pacific region as a whole.

In consideration of its own national interests, the U.S. Administration eventually gave up the mistaken policy of linking MFN with human rights. Figures from various quarters, including those from Hong Kong, convincingly lobbied the U.S. Administration, which helped effect the change in its stand. Fundamentally speaking, the "linkage policy" was doomed to failure. The United States had to squarely face China's economic strength and potential development.

The Removal of Additional Conditions

When reviewing this change in the future, historians may judge this to mark the end of an era. "MFN" was actually a historic term first raised by the Americans in dealing with China. It was Britain that first used cannons and vessels to break through China's gates in the 19th century, which was followed by the U.S. request for "MFN." In other words, the United States wanted to share the privileges enjoyed by the big powers through the unequal treaties. Naturally, this was a one-sided approach. China, which was subject to aggression and humiliation, could not enjoy any privileges in the United States. All the unequal treaties were abolished only after the success of the Chinese revolution.

Today, MFN trading status is reciprocal and does not represent a special favor. It is granted by the two sides to enable them to normally conduct trade and avoid discriminatory tariffs. After the foundation of the PRC, the United States implemented the policy of encircling and embargoing China. Thanks to the later normalization of ties between the two countries, the United States granted

MFN trading status to China, but with the condition of human rights attached, which continued to constitute pressure. It was China that persisted in economic construction, upheld the policy of reform and opening up, continuously enhanced its strength, and withstood U.S. pressure. From breaking through the blockade and encirclement in the past to the periodic victory won today, the United States had to admit that bilateral economic and trade cooperation can only be carried out on the basis of equality and mutual benefit. Just imagine, if China had not maintained stability or had no ability to fight back economically, the United States could continue to regard trade as a favor with which it could menace and threaten China.

Reduce Troubles and Promote Cooperation

Over the years, the MFN issue had to be argued about every year in the United States, which drove Sino-U.S. trade ties to the edge and also upset the Hong Kong business circles. Although these misgivings have been dispelled, there are still problems in Sino-U.S. ties. Objectively speaking, the United States will not let Sino-U.S. ties deteriorate. Viewed from the current conditions, it is unlikely that the United States will rapidly improve its ties with China.

First, the United States has continued to unreasonably criticize China's human rights record. It is quite natural for China and the United States, with different traditions of historical, cultural, and social development, to have different views on human rights, which can be exchanged on the basis of equality and mutual respect and can be improved with concerted efforts. China's human rights situation has continuously improved along with the country's economic development and political reform. There is also room for the United States to improve its human rights. However, the United States has stubbornly insisted on imposing its values on China and meddling in China's internal affairs under such an excuse. This is absolutely unacceptable to the Chinese, who have national pride.

Second, in bilateral economic and trade ties, the United States is used to blaming the other side rather than improving itself. Now that the MFN issue has been settled, there are some people in the United States who want to target China with the "Super 301" provisions. All these problems must be appropriately resolved.

Moreover, the principles laid down in the three joint communiqués between the two countries need to be strictly observed. There are some people in the United States who always try to make an issue of the Taiwan and Tibet problems to infringe upon China's sovereignty.

The Chinese side is sincere in developing its cooperation with the United States. Both China and the United States are two major powers in the Asia-Pacific region which are economically complementary. Cooperation will benefit each side. Chinese leaders have repeatedly stressed the following remarks on Sino-U.S. ties: Increase trust, reduce disagreements, develop cooperation, and keep from confronting one another. We have reason to believe that Sino-U.S. relations will continue to advance and improve

as long as China can maintain its political situation and economic growth. As stated by Singapore's Lee Kuan-yew earlier this year, as MFN was renewed last year, it cannot be revoked this year, because the interests of the United States cannot be separated from China's cooperation year in and year out. This has become an irresistible trend.

Press Agency Praises Clinton Decision on MFN Status

HK2905081394 Hong Kong ZHONGGUO
TONGXUN SHE in Chinese 0701 GMT 28 May
94

["Special Article" by staff reporter He Chong (6320 0392):
"The United States Announces Delinkage of Trade From
Human Rights, and Sino-American Relations Tend to
Seek Common Ground While Reserving Differences"]

[Text] Hong Kong, 28 May (ZHONGGUO TONGXUN SHE)—After judging the hour and sizing up the situation over the past year, U.S. President Clinton eventually announced the renewal of China's MFN status, and stated that in the future human rights issues would be delinked from trade and MFN. This shows that the U.S. previous policy of using human rights issues to put pressure on China has failed, and that China's foreign policy toward the United States "with good reason, advantages, and restraint" has gotten the upper hand in the present Sino-American diplomatic dispute. Sino-American relations in the future might move in a new direction of seeking mutual benefit, cooperation, and common ground while reserving differences, which China has always advocated.

In the past, China did not occupy a decisive position in the eyes of the United States. But now the United States has seen this Tai Shan [a symbol of great influence] with its own eyes. In his speech delivered on 27 May, Clinton admitted: "Our relationship with China is important to all Americans. We have significant interests in what happens there and what happens between us. China has an atomic arsenal and a vote and veto in the United Nations Security Council. It is a major element in Asian and global security. We share important interests, such as a nuclear-free Korean peninsula and sustaining the global environment. China is also the world's fastest-growing economy. Over \$8 billion of U.S. exports to China last year supported over 150,000 American jobs..." Therefore, Clinton has decided to renew China's MFN status.

Before the above-mentioned announcement was made, it was reported that, while renewing China's MFN status, Clinton would increase customs duties on products manufactured by China's state-owned enterprises and military industrial enterprises and would use this as a stepping stone for personally overruling [fou jue 0694 0414] the seven executive orders on human rights. However, in his announcement, Clinton did not mention China's state-owned enterprises and military industrial enterprises at all. He only announced a ban on importing weapons, principally guns and ammunition, from China with total value of less than \$200 million. Compared with the \$31 billion of

China's exports to the United States, such an amount is trivial and only represents a symbolic figure.

However, to placate congressmen and congresswomen who advocate human rights, Clinton also announced "extending the sanctions imposed as a result of the events in Tiananmen Square," and continued to refuse China permission to participate in the U.S. Trade and Development Aid Program, the Overseas Private Investment Companies Program, and the United States and Asian Environmental Partners Program, and denied licenses for exporting dual-use civilian products to China, among others. This shows that Clinton has not done things in a completely unrestrained manner, because he has still kept some room for maneuver.

Notwithstanding, Clinton has dared to go back on [four ding 0694 1353] his campaign promise to strengthen pressure on China as well as the executive order he issued after taking office on attaching human rights conditions to the renewal of China's MFN status. This has required great courage. In particular, while admitting that the policy of "linking" trade with human rights "no longer works," Clinton has acknowledged [ren tong 6126 0681] China's views on seeking common grounds while reserving differences, laying aside ideological differences such as human rights, and working for the goal of developing common interests.

People still remember that, at the summit meeting of Asian-Pacific countries held in Seattle in November last year, President Jiang Zemin told Clinton: As the Cold War has ended, we must focus our attention on economic development. China and the United States must increase mutual trust, seek common ground while reserving differences, and develop their common interests in economic and trade cooperation, international peace, and security. Handling relations between the two sides must be considered from the angle of the global arena, the future, and the 21st century. At that time, Clinton agreed with this view.

In Seattle, Chinese Foreign Minister Qian Qichen also told U.S. Secretary of State Christopher: "Sino-American relations must always be based on common interests, but not on the same social system, way of life, ideology, and values." With regard to Sino-American differences, he maintained that specific problems should be solved in specific ways. He opposed linking specific issues such as democracy, human rights, and proliferation of weapons with trade. He said that the two countries must stop debating about ideology, democracy, and human rights issues. They must seek common grounds while reserving differences, expand areas of agreement, and work for common interests, in particular economic interests.

Clinton's 27 May speech has shown that the United States is treating Sino-American relations from the high strategic plane. It has agreed to seek common ground while reserving differences and develop common interests. This is precisely what is required by the U.S. strategy of shifting its economic and diplomatic focus to Asia, because China is a major country in Asia as well as a locomotive of rapid

economic development in the region. If U.S.-China relations become deadlocked or are even brought to a confrontational stage, the United States' new Asian strategy can be nothing but empty talk. Therefore, Clinton's decision is being welcomed by various Asian countries.

Academic Views 'Latent Problems' in Sino-U.S. Relations

*HK3005074294 Hong Kong MING PAO in Chinese
29 May 94 p B11*

[By staff reporter Wang Chien (3769 0494): "Most-Favored-Nation Status Issue Surpasses Bilateral Relations; There Are Still Many Latent Problems in Sino-U.S. Relations"]

[Text] Professor Yuan Ming, director of Beijing University's International Relations Research Institute, has pointed out that the United States' decision to renew China's most-favored-nation [MFN] status and separate the MFN issue from human rights is good for Sino-U.S. relations. But she stressed that the settlement of the MFN issue does not mean sustained smoothness in Chinese-U.S. relations; instead, there are still many latent problems.

Yuan Ming pointed out: As a matter of fact, the MFN issue has gone beyond the scope of bilateral relations. When making a decision on this, it was impossible for the United States to consider it in isolation from other issues, and, to a great extent, the United States was also restricted by other countries.

She was of this opinion: Three forces made the Clinton administration unconditionally extend China's MFN status. The first was Europe and Japan. At a meeting of the U.S.-Japanese-European Trilateral Commission at the end of March this year, Japan and Europe strongly signaled relevant messages. The second were the multinational corporations, which have interests in the Chinese market. The third were China's neighbouring countries, such as Singapore, Malaysia, Indonesia, and so on.

Yuan Ming pointed out that the settlement of the MFN issue is unquestionably good for Sino-U.S. relations and enables China and the United States to concentrate their attention on other important world affairs, including security in East Asia. But she stressed that the settlement of this year's MFN issue does not mean sustained smoothness in Chinese-U.S. relations.

There have been changes in China, and the United States is also experiencing change, but due to prolonged historical and cultural differences, she pointed out that there are latent problems in Sino-U.S. relations.

For example, theoretically, the United States acknowledges that China is important, but in reality it does not know how to proceed with this matter; U.S. companies in the Chinese market are not as competitive as Japanese, South Korean, Taiwan, or Hong Kong companies.

In addition, following the economic development of East Asia, the awakening of "East Asian self-confidence" is regarded as an anti-Western ideology by the United States.

She pointed out that China and the United States need to cooperate extensively in international affairs, which are linked to each other and cannot be viewed in isolation from each other, adding that China and the United States have many problems to resolve on security issues in Asia-Pacific in particular.

Qian Qichen Meets U.S. Asia Society Guests

OW3105112594 Beijing XINHUA in English 1059 GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here this afternoon with President of the Asia Society of the United States Nick Platt and his party.

They held friendly talks on issues of common interest.

Platt briefed Qian on the Asia Society, and Qian expressed his appreciation of the efforts made by the Asia Society in promoting mutual understanding and friendly relations between the two peoples of China and the United States.

The U.S. guests arrived here on May 29 at the invitation of the Chinese People's Institute of Foreign Affairs.

Gansu's Deals With U.S. Firms 'New Page' in Cooperation

OW3005112394 Beijing XINHUA in English 0913 GMT 30 May 94

[Text] Lanzhou, May 30 (XINHUA)—Four days of trade talks in the U.S.A. this month by representatives of Gansu Province have resulted in agreements for considerable foreign investment in this north-west China province.

During the Los Angeles talks, the province's team signed with foreign partners 46 million U.S. dollars worth of contracts in imports and exports, together with seven technology agreements and eight promised projects, bringing in 135 million U.S. dollars and 204 million U.S. dollars, respectively.

Experts regarded the talks as a new page in Gansu's cooperation with the U.S. and other countries, such as Canada, Mexico and Argentina.

The inland province is a main energy and raw materials centre in China, abundant in resources like power and coal. Its non-ferrous products and chemical engineering machinery have nationwide brand recognition.

Mobil Oil To Cooperate for Second Century

OW2805142494 Beijing XINHUA in English 1313 GMT 28 May 94

[Text] Beijing, May 28 (XINHUA)—The Mobil Oil Company was proud of its century-long presence in China, and would like to do business here for another hundred years.

Lucio Noto, chairman and chief executive of Mobil, said this recently in Beijing in an interview with XINHUA.

The company began its China business by establishing the first China representative office in Shanghai in 1894, and it was famous for introducing kerosene to China.

Noto, who came solely for the centenary celebrations, said that this was his first overseas trip since he took over the top slot last March.

"I want to express our willingness of furthering cooperation with China," he said, adding that Mobil would take the opportunity to probe the possibility of more cooperation.

The chairman disclosed that several cooperative projects were under discussion between Mobil and China, and it was possible that an agreement to establish a joint venture in north China's Tianjin would be reached within a few months.

"The setting up of joint ventures would both enable Mobil to provide better service to its Chinese customers, and benefit the development of China's economy," he said. "the cooperation is beneficial to both sides."

Noto also said that his company was interested in recovering and processing petroleum in China, including in the South China Sea and north-west China's Tarim Basin, and a team would be sent to China shortly to do research.

"We would not lose any good business opportunity here," he added.

To mark the 100th anniversary, Mobil has set up a fund of 500,000 U.S. dollars to help develop China's education.

The company presented 100,000 U.S. dollars to the National Academy of Education Administration as the first installment of the fund, in support of the academy's efforts to upgrade the training facilities and programs for education administrators.

Noto said that his company had become one of the largest foreign suppliers in China, providing lubricating oil to various industrial fields of the country since it re-entered the Chinese market in 1974.

That same year this second largest oil company in the United States became the first foreign oil company to import Chinese oil, natural gas and fuel for aircraft into the USA. It was also the first foreign company selling oil products in China.

In 1983, it set up a filling station in south China's Shenzhen, thus becoming the first Western oil company of this kind. In 1986, the company began cooperation with Shanghai in producing lubricating oil for ocean shipping and automobiles.

Henan Governor Leads Trade Delegation to U.S.

HK2605095794 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 20 May 94

[Text] The Henan provincial government delegation headed by Governor Ma Zhongchen met in Washington, D.C., on 18 May with Mr. Martin, vice president of the

World Bank, and Mr. Browning, president of the U.S. National Import and Export Bank.

The World Bank, which had previously provided loans to help Henan build some key projects, recently decided to provide more loans to Henan. The U.S. National Import and Export Bank has also decided to provide loans to help Henan purchase several Boeing 737 planes.

During the meeting, Governor Ma Zhongche spoke highly of the long-term cooperation between Henan Province and the two banks. He said: As one of China's communications hubs and bases for energy and raw materials, Henan boasts more investment opportunities for the outside world. Bilateral cooperation and exchanges between Henan and the World Bank and the U.S. National Import and Export Bank not only coincide with the shared interests of China and the United States, but also benefit both countries' economic development.

Governor Ma Zhongchen said he hoped that more U.S. financiers and entrepreneurs would come to invest and build factories in Henan. Mr. Martin pledged to provide more loans to help Henan build more energy, communications, and infrastructure projects. Mr. Browning also promised to provide Henan with more loans in the years ahead to help Henan develop more key projects, large enterprises, and financial undertakings.

The Henan delegation headed by Governor Ma Zhongchen arrived in the State of Kansas on the evening of 15 May and was warmly received by Kansas Governor Benny. During their two-day stay in Kansas, the delegation visited a number of U.S. enterprises and companies, held a briefing in the governor's mansion to introduce Henan's investment opportunities to the Kansas business community, exchanged views with Kansans from all walks of life, and briefed Kansas business leaders on Henan's situation and projects.

At a cocktail party attended by more than 100 people from Kansas's economic, trade, and industrial circles, Governor Benny said: Governor Ma Zhongchen's current visit will enhance the friendly relations of cooperation between Kansas and Henan. Our bilateral exchanges and cooperation are conducive to our development and are needed to see continued growth.

Governor Ma Zhongchen said at the cocktail party: I am looking forward to Governor Benny's visit to Henan. I believe that as long as both sides join hands and make concerted efforts, Henan and Kansas will surely be able to push cooperation onto a new stage.

Both governors expressed the hope that the U.S. and Chinese entrepreneurs at the cocktail party would contribute to the continued development of friendly and cooperative relations between Henan and Kansas. Governor Benny presented Governor Ma Zhongchen with a Kansas State emblem, while Governor Ma Zhongchen presented Governor Benny with a box of candies bearing Governor Benny's portrait and signature. Governor Benny gladly accepted the gift from Governor Ma Zhongchen and repeatedly expressed his thanks.

At the cocktail party, industrial, economic, and trade leaders from Kansas State and Henan Province conscientiously explored future bilateral cooperation prospects.

Central Eurasia

Russian Prime Minister Chernomyrdin Tours Shanghai

OW2805142594 Beijing XINHUA in English 1403
GMT 28 May 94

[Text] Shanghai, May 28 (XINHUA)—Visiting Russian Prime Minister V. S. Chernomyrdin this afternoon toured the Pudong new area and two bridges in Shanghai, China's largest industrial center.

The Russian prime minister also paid his respects at the monument to Pushkin.

Chernomyrdin and his party, accompanied by He Guangyuan, chairman of the Chinese Government Reception Committee and minister of the machine-building industry, flew in here this morning from Beijing.

This evening Mayor Huang Ju of Shanghai met Chernomyrdin and his party.

Entrepreneurs Meet With Russian Counterparts in Beijing

OW2705132894 Beijing XINHUA in English 1252
GMT 27 May 94

[Text] Beijing, May 27 (XINHUA)—Entrepreneurs from China and Russia as well as some officials from relevant Chinese Government departments—about 80 people in all—gathered here this afternoon to talk about Sino-Russian cooperation.

Visiting Russian Prime Minister V.S. Chernomyrdin spoke at the gathering.

He said that Russia and China are experiencing profound social changes and the two countries have taken different ways and measures in their own reforms due to their respective national and historic characteristics. He added that the two countries should learn from each other.

The tasks facing both Russia and China were similar in many aspects, he said, which holds possibilities for bilateral cooperation of mutual benefit. The Russian premier said that the complementary nature of the two countries, their resources and economies provides both with certain potential for effective bilateral cooperation.

He noted that bilateral relations have entered a new stage, which brings about a broad prospect for a constructive partnership in the next century.

Such relations, he said, well meet the basic national interest of the two countries and constitute an important element in maintaining peace and stability in the Asia-Pacific region as well as rest of the world.

Touching upon bilateral economic cooperation, he said that this was a complicated thing: on the one hand, the

cooperation is vigorous; while on the other hand, there is great potential for its expansion.

He said that bilateral cooperative relations have to be shifted to a higher level in line with international standards, involving cooperation in production, investment and joint ventures.

He said that the good-neighborly cooperation between the two peoples will continue to be accelerated, for the sake of the two great nations, and peace and prosperity in Asia and the world.

Xu Dayou, vice-president of the China Council for the Promotion of International Trade, also spoke briefly at the gathering.

Moscow College Endows Scientist With Degree

OW2705144594 Beijing XINHUA in English 1401 GMT 27 May 94

[Text] Moscow, May 27 (XINHUA)—The Moscow Power College today endowed a Chinese scientist with an honorary doctor's degree for his contribution to China's aerospace industry and scientific exchanges between Russia and China.

Professor Zhang Tong of the China Great Wall Industrial Corporation is China's well-known expert on radio and radar technologies. He studied at the Moscow Power College in 1956-60.

He has held key positions in China's research projects on aero-space remote-communication and remote-control.

He was also recently honored by Russia's Aerospace Science Academy.

Russian Aerospace Academy Honors Scientist Zhang Tong

OW3105100494 Beijing XINHUA Domestic Service in Chinese 1610 GMT 27 May 94

[By reporter Cui Shaochun (1508 1421 4783)]

[Text] Moscow, 27 May (XINHUA)—The Moscow Power College held a grand ceremony today to present two certificates to Professor Zhang Tong, chairman of the China Great Wall Industrial Corporation. One certificate from the Russian Aerospace Science Academy appointed him as its foreign academician, and the other certificate from the Moscow Power College conferred on him an honorary doctorate.

Zhang Tong is a famous Chinese expert in radio and radar technology. He studied from 1956 to 1960 at the Moscow Power College where he was among its first graduates specializing in radiophysics. Since returning to China, he has worked for a long time in scientific research and leadership posts in China's astronautical remote-sensing and remote-control technology institutes; was a member of the former Ministry of Aeronautics and Astronautics Industry's Academic Council; and was awarded the title of national scientist with outstanding contributions. Due to

his outstanding contributions to China's astronautical undertakings and to Sino-Russian astronautical cooperation and exchanges, the Russian Aerospace Science Academy decided to accept him as its foreign academician, and the Moscow Power College decided to confer on him an honorary doctorate.

Attending today's meeting were 200 representatives from Russian astronautical circles, the Moscow Power College, and other academic fields. Marlin [ma ruo lin 7456 5387 2651], vice president of the Russian Aerospace Science Academy, and Ametistov [a mei ji si tuo fu 7093 2734 1323 2448 2094 1133], president of the Moscow Power College, respectively, presented the two certificates to Zhang Tong. Zhang Tong briefed the attendees on the background, progress, and current situation of China's astronautical undertakings.

Article Views China's Policy on Ties With Russia

HK2705151194 Hong Kong HSIN PAO in Chinese 27 May 94 p 34

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429), written in Beijing on 25 May 1994: "China's Strategic Considerations in Developing Sino-Russian Relations"]

[Text] Striving for a peaceful environment favorable for economic development is an important principle upheld by Deng Xiaoping in foreign relations while implementing the reform and opening up policy on the mainland of China. In accordance with this, China has all along paid special attention to maintaining and developing relations of good-neighborliness, friendship, mutual benefit, and cooperation with the countries on its periphery. In its relations with big countries, China has not only upheld improving and developing Sino-U.S. relations on the basis of the three joint communiques, but has also in the past two years paid great attention to developing relations of friendship and cooperation with Russia. Russian President Yeltsin's visit to China at the end of the year before last, Russian Prime Minister Chernomyrdin's visit to China a few days ago, and the scheduled visit to Russia in the fall of Jiang Zemin, CPC general secretary and concurrently state president, are new developments in Sino-Russian relations.

China's Party, Government, and Military Support Sino-Russian Friendship

As informed sources in Beijing disclosed, the development of good-neighborly and friendly relations with Russia has won extensive support in the party, the government, and the military, including some party, government, and military elders. The reasons are: 1) Because of the disintegration of the former USSR, disputes over ideology which may lead to tense state-to-state relations between China and Russia no longer exist. 2) Since both China and Russia are carrying out reform, they need cooperation. 3) There is a history of friendship and cooperation between the Chinese and Russian peoples and the former USSR gave assistance to China in its construction in the 1950's. 4) The

establishment of relations of comprehensive cooperation between China and Russia is in the interests of the two countries and the two peoples and can contribute to curbing hegemony and power politics. 5) Sino-Russian cooperation can contain U.S. hegemonic strategy toward China. 6) Russia's advanced science, technology, and military equipment are precisely what China needs in its economy and national defense.

China's State Council has taken a positive attitude toward the development of relations of cooperation between China and Russia and not long ago worked out a three-year plan on providing aid for Russia in terms of light industry, foodstuffs, and textiles.

Out of consideration of the necessity of upgrading the equipment of the three armed services of China, at the beginning of March the Ministry of National Defense and the General Staff Headquarters put forward to the CPC Central Committee, the State Council, and the Central Military Commission a plan for strengthening cooperation between the armed forces of China and Russia. The plan includes organizing regular mutual visits of high-level personalities of the armed forces, carrying out regular exchanges in military equipment and technology, carrying out regular exchanges of information on the security of the two countries, exchanging cadets of military academies, setting up associations for promoting cooperation and friendship, and so on.

Diplomats in Beijing hold that China has energetically developed its relations with Russia mainly out of the strategic consideration of contending with U.S. pressure on China each year on the issue of most-favored-nation trading status. As observed from the angle of the diplomatic strategy of "consolidating the periphery," Sino-Russian friendship and cooperation will benefit China's politics, economy, and military.

Deng Xiaoping's Tactics Toward Sino-Russian Relations

However, according to informed sources, Deng Xiaoping has unique views as to the relations which should be established between China and Russia.

On the eve of Chinese Premier Li Peng's visit in the middle of April to countries of the CIS which separated from the former USSR, including Uzbekistan, Turkmenistan, Kyrgyzstan, and Kazakhstan in Central Asia, Deng Xiaoping mentioned to members of the Standing Committee of the Political Bureau of the CPC Central Committee: "It is right to develop comprehensive relations with Russia, but it is necessary to have more observation and it is not advisable to be impatient to establish partnership or treaty relations. We uphold opening up and multilateral cooperation, but do not depend on (the other side); nor should we worry too much about what new relations will be established between the United States, Europe, and Russia. Russia has its own strategic plan. I think for quite a long time to come, there will not be major conflicts between China and Russia. Regarding economic aid to Russia, we should do what we are capable of and should openly state

that in doing so, China is not aiming at a third country and does not seek any interests of its own."

As diplomats in Beijing point out, Deng Xiaoping's idea of pursuing an independent foreign policy of peace had already fully manifested itself at the end of the 1980's and the beginning of the 1990's. While talking about the international situation and China's policy toward it with several high-level political figures of the CPC on 4 September 1989, Deng said three things: "First, observing coolly; second, securing our position; third, dealing with things calmly." He laid special emphasis on "the necessity of keeping cool, keeping cool, and keeping cool, and of engrossing ourselves in doing a good job of attending to our own affairs." In accordance with the three things put forward by Deng, China's diplomacy stood the test of a changeable international situation in which Eastern Europe experienced drastic changes and the USSR disintegrated, and was able to resist the pressure of sanctions imposed by the West. Talking about China's diplomacy with some high-level political figures of the CPC again on 14 December 1990, Deng put forward that China should "accomplish something" in foreign affairs and said: "Unpredictable factors in the international situation are now numerous and contradictions become more and more unexpected." "Some countries of the Third World hope that China will act as the head. However, in no way should we act as the head and this is a fundamental national policy. We are incapable of acting as the head and we do not have sufficient strength for that. There is no advantage in acting as the head because we may lose the initiative in many aspects if we do so. China will stand on the side of the Third World forever. China will never seek hegemony and China will never act as the head. However, we cannot accomplish nothing on international issues and we should still accomplish something. What should we accomplish? I think we should energetically promote the establishment of a new international political and economic order. We fear nobody, but we offend nobody. We handle affairs in accordance with the five principles of peaceful coexistence and we are firm in principle and stand." In these years, China has all along maneuvered among various groupings and developed in a flexible manner in the international arena in accordance with Deng Xiaoping's diplomatic ideas.

China Wants To Accomplish Something in the World

According to informed sources, in handling its relations with Russia, China of course will not deviate from the guidance of Deng Xiaoping's diplomatic ideas. To be specific, China follows four principles:

1. Uphold good neighborliness, friendship, and peaceful coexistence;
2. Develop mutual-benefit cooperation, promote common prosperity;
3. Respect the choice of the people of each country and do not interfere in each other's internal affairs;

4. Respect independence and sovereignty and promote regional stability.

However, what has attracted people's attention is that people in charge of China's diplomatic, economic, and trade circles said a few days ago that China hoped the Russian prime minister's visit to China could promote development in depth of the relations between the two countries. This may imply that although it "will never act as a head" in the international arena, China wants to "accomplish something."

When the Cold War ended, most people thought the big triangular relations between China, the United States, and Russia no longer existed. As a matter of fact, the end of the Cold War only implied the end of nuclear confrontation between the two superpowers, but it did not imply that the differences in interests and contradictions between countries would also disappear. So long as the differences in interests and contradictions between countries remain among China, the United States, and Russia, the strategic interaction relations among the three countries will remain. If China can make good use of such strategic interaction relations, and develop Sino-Russian relations, such a move will be conducive to the political stability of Inner Mongolia and Xinjiang in China and to preventing chaos in Mongolia and Central Asia, and will raise China's position in the big triangular relations of China, the United States, and Russia. This is because after Russia widens its diplomatic gap with the United States, it will inevitably draw close to China, and this will increase China's chips in bargaining with the United States, compelling the latter to keep its eyes on the overall pattern of global strategy in considering its policy toward China, instead of merely making use of the lever of human rights. In this way, the issue of giving most-favored-nation trading status to China can be solved more easily, and the United States will also attach greater importance to the strategic position of U.S.-Chinese relations and will not lightly have confrontation with China.

XINHUA Cites Yeltsin Statement on Russian Border Issues

OW2805034094 Beijing XINHUA in English 0311 GMT 28 May 94

[Text] Moscow, May 27 (XINHUA)—President Boris Yeltsin said today that Russia has no extra and unnecessary land and will firmly defend the integrity of its territory.

The Russian president made these remarks while explaining his concept of defense on the Russian border at a frontier force festival here, the ITAR-TASS news agency reported today.

Yeltsin pointed out that Russia has no territorial claims over other countries and favors civilized settlements of border disputes.

Russia is a young nation and there is still a lot to be done before it completes demarcation of borders with neighboring countries, ITAR-TASS cited him as saying.

Yeltsin stressed that Russia's border should become an impassable barrier for terrorists, drug-traffickers, smugglers and illegal immigrants.

The priority for frontier guards is to cope with armed provocation, he added.

But he stressed that Russia favors peaceful settlements of border disputes and will resort to force only under extraordinary situations.

The border should not become an obstacle for international cooperation and exchange, he added.

On border defense, he said that because Russia's relations with neighboring countries vary with political situation, Russia should treat different countries with different approaches.

Northeast Asia

Japanese Former Premier Escapes Gun Attack

OW3005165894 Beijing XINHUA in English 1548 GMT 30 May 94

[Text] Tokyo, May 30 (XINHUA)—Japanese police today arrested a member of a right-wing organization after he fired a gun at the ceiling of a hotel lobby in an abortive attack on former Prime Minister Morihiro Hosokawa, the KYODO NEWS SERVICE said today.

Hosokawa, who escaped unhurt, was on his way home from a party at the Keio Plaza Hotel in central Tokyo marking the establishment of the Tokyo chapter of the Japan New Party which he heads.

Police identified the attacker as Masakatsu Nozoe, who is 52. The shot missed the target when plain-clothes policemen slapped the gunman on the hands as he held a revolver aimed at Hosokawa, KYODO quoted witnesses as saying.

But police later quoted Nozoe as saying that initially he was aiming at Hosokawa, but then decided to fire at the ceiling, the news agency said.

It also said the assailant later told police that he had become upset with Hosokawa's apologies for Japan's invasion of its Asian neighbors during World War II and with his economic policies.

As soon as the attack occurred police officers subdued the assailant while plain-clothes officers rushed the former premier out of the hotel and into a waiting car.

A shaken Hosokawa reportedly expressed concern for his wife as he was being escorted out of the hotel, saying, "Kayoko is still there. Please..."

Hosokawa, who resigned last month over his dubious financial dealings, has been threatened by rightist groups since he took office last August because of his remarks condemning Japan's wartime atrocities.

Japanese Stock Firm First To Open Agency in Shandong

SK0106040994 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 31 May 94

[Text] On the morning of 31 May, at Qilu Guesthouse, Wang Yuxi, vice governor of Shandong Province, cordially met with Mr. (Sokushima), deputy manager of (Hiyoshi) Stock Company in Japan. This is the first foreign financial and stock company to set up a representative agency in Shandong Province.

DPRK Denounces ROK Statement on Denuclearization

OW2805183994 Beijing XINHUA in English 1804 GMT 28 May 94

[Text] Pyongyang, May 28 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today denounces a statement by South Korea that the north-south joint declaration on denuclearization has become invalid.

South Korea's Deputy Premier and Minister of National Unification Yi Hong-ku said on May 23 that the declaration on denuclearization "has become invalid in actuality."

A spokesman for the Committee for the Peaceful Reunification of the Fatherland said that "the arbitrary abrogation of the joint declaration vital to the nation is a very grave challenge which endangers peace in the country and the security of the nation."

"They (the South Korean Government) will have to bear full responsibility for all the consequences arising from their nullification of the declaration," the KCNA NEWS AGENCY quoted the spokesman as saying.

DPRK, IAEA Unable To Reach Agreement on Nuclear Fuel Rods

OW2905080294 Beijing XINHUA in English 0651 GMT 29 May 94

[Text] Pyongyang, May 29 (XINHUA)—The Democratic People's Republic of Korea (DPRK) and a team of the International Atomic Energy Agency (IAEA) have failed to reach a final agreement on the replacement of fuel rods at a nuclear power station in the DPRK.

A DPRK Foreign Ministry spokesman said Saturday [28 May] that the DPRK will go ahead on its own with the replacement of the fuel rods at its 5-megawatt experimental atomic power station.

He said the DPRK Government will continue to work for the transparency of nuclear development and for the settlement of the nuclear issue through DPRK-U.S. dialogue.

The DPRK and IAEA teams held working consultations between May 25 and 27 over technical matters concerning the replacement of the spent fuel rods at the 5-megawatt nuclear reactor.

During the consultations, the DPRK side suggested that the DPRK keep the spent fuel rods under the supervision of the IAEA. In case it undergoes routine and ad hoc inspections with a package solution to the nuclear issue between the DPRK and the U.S. in the future, DPRK would let the IAEA check the spent fuel rods.

The DPRK and IAEA delegations also discussed the method of preserving the technical possibilities of measuring the spent fuel rods by the IAEA, the spokesman said.

He said the IAEA demanded that the DPRK submit a written report on the matter and the IAEA will study the theoretical feasibility and security of the method proposed by the DPRK side.

At the negotiation, the agency raised the method of selected and separated preservation of fuel rods, the spokesman said.

But the DPRK believed it is not acceptable in principle because it is essentially an inspection falling under the category of ad hoc inspection and going beyond the unique status of the DPRK following its temporary suspension of withdrawal from the Nuclear Nonproliferation Treaty, he stressed.

Although no final agreement has been reached, he said, the DPRK promised to respond any time to negotiation that might be proposed by the IAEA side in future.

Liaoning's Dandong City Develops Trade With DPRK

HK3105082294 Beijing XINHUA Hong Kong Service in Chinese 0242 GMT 31 May 94

[By Wang Liming (3769 7812 2494)]

[Text] Shenyang, 31 May (XINHUA)—Dandong City in Liaoning Province is giving play to its geographical advantages and is rapidly developing border trade with the DPRK. In the first four months of this year, the volume of border trade exceeded \$17 million, an increase of 93 percent over the same period last year.

Dandong City is located in the northern end of the mainland coastline of China, and faces the DPRK's Sinuiju City across the Yalu Jiang. It is one of the largest border cities in China. In 1988, Dandong City was named as one of China's open cities, and in 1992, the State Council approved the establishment of the Dandong Border Economic Cooperation Zone. After that, Dandong City made use of its favorable geographical position of being adjacent to Korea and the doubly favorable policies for coastal and border areas and has increased border trade with the DPRK year after year. In 1993, the volume of Dandong's border trade with the DPRK exceeded \$52 million.

In Dandong's border trade with the DPRK, Dandong mainly exports grain, pork, beef, textiles, chemical raw materials, household electric appliances, and light industrial goods to the Korean side, and mainly imports steel

products, timber, aquatic products, minerals, and silk-worm cocoons from the Korean side.

As Dandong's opening up to the outside world continues its expansion, the structure of trade with the DPRK has also expanded from the previous sole pattern of barter trade to plural forms of cash-based trade, processing trade, entrepot trade, and the tourist trade. At present, there are more than 170 business companies engaged in trade with the DPRK. Trade partners on the Korean side extend from Sinuiju to such interior cities as Pyongyang and Wonsan. There is economic and trade cooperation with an increasing number of the DPRK's large, state-level commercial institutions.

ROK Cabinet Meets To Discuss DPRK Nuclear Issue

OW3005110294 Beijing XINHUA in English 0828 GMT 30 May 94

[Text] Seoul, May 30 (XINHUA)—South Korean President Kim Yong-sam Monday [30 May] asked his ministers to prepare for every possible contingency after the breakdown of talks between the Democratic People's Republic of Korea (DPRK) and the International Atomic Energy Agency (IAEA).

Kim was addressing a security-related cabinet meeting at which various means of coping with the DPRK's nuclear issue were discussed.

The DPRK and the IAEA reached no agreement during their talks in Pyongyang last week over refueling at the DPRK's 5-megawatt nuclear reactor.

The IAEA claimed in a statement that the DPRK had rejected the IAEA's proposal for inspection to ensure that no fuel was being diverted to make nuclear weapons.

Monday's meeting was attended by South Korean Prime Minister Yi Yong-tok, Deputy Prime Minister and Minister of the National Unification Board Yi Hong-ku, Foreign Minister Han Sung-chu, Defense Minister Yi Pyong-tae and other senior government officials.

The meeting decided that South Korea would strengthen cooperation with the countries around the Korean peninsula—the United States, Japan, China and Russia—and study possible action in case the nuclear issue is referred to the United Nations Security Council.

"The efforts of the government and the international community to peacefully solve the North Korean nuclear problem are facing a grave challenge as Pyongyang has ignored the international community's demands and pushed for replacement of fuel rods at the 5-megawatt reactor in Yongbyon," President Kim told the meeting.

Kim urged the DPRK to immediately stop discharging the fuel rods, saying that "the selection, storage and measurement of fuel rods are indispensable to securing the transparency of past nuclear activities as well as ascertaining the non-diversion of nuclear material."

The meeting also decided that South Korea will continue to try to solve the nuclear issue through dialogue ahead of the regular meeting of the IAEA's Board of Governors scheduled for June 6.

The South Korean Government plans to hold a unification and security policy coordination meeting this week to draw up detailed measures following Monday's meeting, official sources said.

ROK Hails U.S. Decision To Renew China's MFN Status

OW3005112494 Beijing XINHUA in English 0859 GMT 30 May 94

[Text] Seoul, May 30 (XINHUA)—South Korea Monday [30 May] hailed the United States' decision to renew most-favored-nation (MFN) status for China as a positive influence on Asia-Pacific trade.

"The Government of the Republic of Korea welcomes the U.S. decision to extend China's MFN status as a very practical action," a Foreign Ministry official said here.

The decision will enhance trade activities in the Asia-Pacific region and positively influence the launching of the World Trade Organization (WTO), the official said.

On May 26, U.S. President Bill Clinton renewed MFN status for China, declaring there will be no link between future MFN renewals and human rights.

ROK Holds 1994 Products Exhibit in Dalian 31 May

SK0106040294 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 31 May 94

[Text] The 1994 ROK commodity exhibition opened in the international commodity exhibition center of Dalian on 31 May. This is the first, large, and comprehensive commodity exhibition sponsored by the ROK in northeast China. Thirty-two ROK enterprises are participating in the exhibition. The exhibition includes auto parts, iron and steel products, light and textile industrial products, and articles of daily use. It will end on 3 June.

Southeast Asia & Pacific

Gan Ziyu Ends Malaysian Visit, Departs for Thailand

OW2805053394 Beijing XINHUA in English 0507 GMT 28 May 94

[Text] Kuala Lumpur, May 28 (XINHUA)—Gan Ziyu, vice chairman of the State Planning Commission of China, ended his five-day visit to Malaysia and left for Bangkok to visit Thailand on Friday [27 May]. During the May 22-27 visit at the invitation of the Ministry of International Trade and Industry of Malaysia, Gan called on the supreme head of state Tunku Ja'afar and Prime Minister Mohamed Mahathir respectively.

In his conversation with Gan, Mahathir expressed satisfaction over the development of Malaysian-Chinese relations, saying that it will benefit both countries if they further cooperation by combining their advantages in market, technology and capital.

During his stay in Malaysia, Gan also called on various ministries and government agencies where he was briefed on macro-planning, inflation control and foreign investment. He toured a series of industrial projects and exchanged views with parties concerned on the way to expand economic cooperation and trade.

Two-way trade stood at 1.79 billion U.S. dollars last year, a 21 percent rise over the 1.47 billion U.S. dollars [in] 1992.

Envoy to Malaysia Hosts Reception on Anniversary of Ties

OW3005165594 Beijing XINHUA in English 1615
GMT 30 May 94

[Text] Kuala Lumpur, May 30 (XINHUA)—Chinese Ambassador to Malaysia Qian Jinchang hosted a reception here this evening to celebrate the 20th anniversary of the establishment of diplomatic relations between China and Malaysia.

Among nearly 200 guests present were Mohamed Zahir, speaker of the House of Representatives of Malaysia, Kerk Choo Ting, deputy works minister, Osman Awang, president of the Malaysia-China Friendship Association, and Xu Qun, vice president of the Chinese People's Association for Friendship With Foreign Countries, who was invited to attend the celebration activities.

Both the ambassador and speaker paid tribute to the far-sightedness of the leadership of the two countries in establishing the diplomatic relations on May 31, 1974.

The visits of the state and government leaders to each other's country in recent years "have resulted in a new high in the history of Malaysia-China relations", Mohamed Zahir said.

Qian said: "looking forward to the future, we are more convinced that the establishment of long-term and stable Sino-Malaysian friendly relations and cooperation does not only tally with the basic interests of both the Chinese and Malaysian peoples, but also contributes to the peace, stability and development of this region and the whole world as well.

"The cooperation fields between the two countries are broad, the potentialities are great and the prospect is bright," he added.

'Roundup' Says Sino-Malaysian Relations Reach 'New Level'

OW3105034394 Beijing XINHUA in English 0228
GMT 31 May 94

["Roundup" by Ding Baozhong: "Sino-Malaysian Friendly Ties Reach New Level"]

[Text] Kuala Lumpur, May 31 (XINHUA)—China and Malaysia are reaping the fruits of common efforts to forge friendship and cooperation since the establishment of diplomatic relations on May 31, 1974.

As the Malaysian Prime Minister Mohamed Mahathir put it, links between the two countries stretched a long way back, but it is only over the last two decades that the bilateral relationship has reached a new level of understanding and cooperation.

"In the last five years or so, bilateral relations have increased by leaps and bounds in many fields of cooperation," he added.

The visits by the state and government leaders to each other's country deepened mutual understanding and trust and pushed the relations into a new stage of all-round development.

Earlier this month, Mahathir visited China for the third time. During the visit he met with President Jiang Zemin and Prime Minister Li Peng respectively, exchanging views on the bilateral, regional and international issues of common concern.

Since Mahathir's first visit to China in 1985, the two governments have signed ten agreements including those on trade, aviation, marine transportation, investment guarantee, avoidance of double taxation, establishment of the joint economic and trade commission, information and science and technology.

Two-way trade has been recording a double-digit growth since 1987 with 1993 seeing a 21 percent increase to 1.79 billion U.S. dollars from 1.475 billion U.S. dollars in 1992. China has stood as one of the biggest buyers of palm oil of Malaysia, the world's largest producer.

Two-way investment has covered a wide range of industries with a considerable expansion in volume and is moving toward internationalized cooperation.

Incomplete statistics show that the number of Malaysians travelling to China rose from 11,200 in 1989 to 125,200 in 1993 while the number of the Chinese touring Malaysia surged from 9,000 in 1990 to 85,000 in 1993.

Last year the two governments agreed to set up consulates-general in each other's country. The Malaysian Consulate-General in Guangzhou started business by the end of last year while the Chinese one will be opened in Kuching, Sarawak soon.

"On many major international issues, we are delighted to see that our two countries share extensive common understanding and have been maintaining good cooperation. We highly value the Malaysian Government for its upholding justice and speaking out to safeguard the rights and interests of the developing countries in the international affairs and for actively promoting the political stability and economic prosperity of this region," Chinese Ambassador Qian Jinchang said recently.

"We have full confidence in the future development of the bilateral relationship. We believe that the development of long-term, stable and friendly relations between China and Malaysia on the basis of the principles of peaceful coexistence, is not only in conformity with the fundamental interests of our two peoples, but also beneficial to the peace, stability and development of this region," he added.

Trade-Investment Forum Held in Australia

OW0106081594 Beijing XINHUA in English 0728
GMT 1 Jun 94

[Text] Melbourne, June 1 (XINHUA)—China Trade and Investment Forum '94, the largest ever held in Australia, opened in Melbourne, the second largest city in Australia, today.

The Chinese delegation, consisting of more than 100 businessmen from China's 20 provinces and cities, was led by Gu Yongjiang, vice-minister of China's Ministry for Foreign Trade and Economic Cooperation.

The Chinese businessmen have brought with them over 500 projects, valued at 7 billion U.S. dollars.

The projects cover the fields of communications, energy, Perth- chemical industry, electronic industry, textile industry, building materials, agriculture, and service industry.

The aim of the forum is to brief the Australian counterpart on China's investment environment, its investment policy and laws with a view to increasing their understanding of China and furthering the development of bilateral economic and trade links.

The two-way trade between the two countries stood at 3 billion U.S. dollars last year, representing an increase of 29 percent over the previous year, according to China's official figures.

The forum will last for two days in Melbourne and will then be moved to Australia's largest city of Sydney next week.

Officials Satisfied With Trade Ties With Australia

OW0106082294 Beijing XINHUA in English 0752
GMT 1 Jun 94

[Text] Melbourne, June 1 (XINHUA)—Both Chinese and Australian trade officials have today expressed their satisfaction with the sound development of bilateral economic and trade links at the China Trade and Investment Forum '94.

The forum, the largest ever held in Australia, was opened in Melbourne, the second largest city in Australia, today.

Australian Trade Minister Bob McMullan said that the forum "signifies the great progress and development in economic ties between Australia and China in recent years."

He pointed out that the strength of such economic and trade links "is the result of some hard work by our governments and business."

McMullan said that the export-oriented sector of Australia's economy has "enjoyed the benefits of linking into China's economic development."

The trade minister also announced that he will lead a business delegation to China next September to continue to facilitate high-level contacts.

He also said that Australia will open four Austrade (the Australian Trade Commission) trade and investment offices in China and Australia has already had trade offices in Hangzhou, Shanghai and Guangzhou. "Australia-China trade and investment relations stand at the threshold of a significant mutually beneficial expansion," McMullan said.

He stressed that the Australian Government "is committed to providing even greater impetus for the bilateral trade relationship."

Gu Yongjiang, vice-minister of China's Ministry for Foreign Trade and Economic Cooperation, brief the forum on the deepening of China's economic reforms and opening to the outside world.

Gu led a Chinese delegation, consisting of more than 100 businessmen from China's 20 provinces and cities, who have brought with them over 500 projects, valued at seven billion U.S. dollars.

He said that beginning from this year, the Chinese Government has implemented a series of significant reform measures in the fields of fiscal and taxation system, banking, investment, foreign exchange and foreign trade. "This shows that the reform of China's economic system has entered into an important phase of overall progress with breakthrough in key sectors," Gu added. On the Sino-Australian economic and trade links, the vice-minister said that the two countries have had a long history of economic and trade cooperation.

The two-way trade between the two countries reached a record high of three billion U.S. dollars last year, representing an increase of 29 percent over the previous year, according to China's official figures.

He said that by the end of last year, China has had approved 1,310 projects involving Australian investment, with a total contracted value amounting to 1.25 billion U.S. dollars.

Australia has become the 9th largest foreign investor in China.

Talking of the prospect for future Sino-Australian economic and trade ties, Gu said that a sound development will be the only trend for Sino-Australian economic and trade relations.

He cited four reasons to support the view:

—The two economies have a strong complementarity;

- Both the Chinese and Australian Governments attach great importance to the promotion of the bilateral economic and trade ties;
- Both countries are working for readjusting their economic development strategy at the moment; and
- The experience from past trade contacts and investment projects will serve as a good guide to future success in the bilateral trade and economic ties.

Gu pointed out that the Asia-Pacific region is a region that "enjoys the most dynamic economic growth and the 21st century will no doubt belong to the Asia-Pacific region."

"China and Australia should join hands and cooperate more closely to make greater contributions to the prosperity of the region," he said.

The forum will last for two days in Melbourne and will then be moved to Australia's largest city of Sydney next week.

Joint Statement Issued on Sino-Australian Trade Ties

OW0106083094 Beijing XINHUA in English 0800
GMT 1 Jun 94

[Text] Melbourne, June 1 (XINHUA)—A joint press statement on Australia-China economic cooperation was released here today, praising highly of the China trade and investment forum being held here.

The press statement pointed out that the forum, the largest ever held in Australia, "reflected the importance the Australian and Chinese Governments placed on developing the bilateral trade and economic relationship."

The joint press statement was released at the forum by Australian Trade Minister Bob McMullan and visiting Vice-Minister Gu Yongjiang of China's Ministry for Foreign Trade and Economic Cooperation.

Gu led a largest Chinese trade delegation, consisting of more than 100 businessmen from 20 out of China's 30 provinces and municipalities, who have brought with them over 500 projects, worth 7 billion U.S. dollars.

The two officials held that the forum has created an opportunity to deepen and strengthen the economic relationship between the two countries."

The two-way trade has increased rapidly in recent years. In 1993, the trade volume between the two countries enjoyed a record high of 3 billion U.S. dollars, up 29 percent over the previous year, according to China's official figures.

Latest Australian official figures indicated that China has become the 6th largest trading partner of Australia and Australia has become the 10th in China's largest trading partner list.

The two sides agreed that the current trade and investment levels were only a small proportion of what would be achieved as the economic relations matured.

"The development of the economic relationship would be assisted by trade and economic regions both countries were pursuing and by the formalization of China's status in the GATT," the statement said.

The two ministers reaffirmed that in line with the understanding contained in the Australia-China Trade and Investment Framework Agreement, the two sides will continue to

- Take a purposeful and systematic approach to removing trade and investment barriers;
- Maintain MFN as a basis for trade between the two countries;
- See an early settlement of China's GATT status;
- Encourage closer integration of mineral, agricultural and raw materials processing sectors; and
- Encourage further visits by ministerial-level trade delegations and senior government and business officials.

The two officials believed that economic complementarities between the two countries have created potential for ventures and projects in areas of raw materials and mineral process as well as manufacturing and services.

Near East & South Asia

Customs Officials Hold Border Talks With Nepal in Tibet

OW2905114694 Lhasa Tibet Television Network in Mandarin 1200 GMT 27 May 94

[Report by station correspondents Duoyou (1122 1429) and Zhadun (2089 7319) over video; from the "Regional News Hookup" program]

[Text] At the invitation of the Lhasa Customs Department, a six-member Nepalese customs delegation led by Nepalese Customs Department Director Mr. (Ubudeya) began on 21 May a visit to the Lhasa, Xigaze, and Nyalam customs offices.

The Nepalese customs delegation's main mission for this trip was to attend the eighth round of border talks between Chinese and Nepalese customs departments. During the talks, the two customs departments exchanged their experience in collecting customs duties, checking smuggling, and other work over recent years; briefed each other on last year's work; and exchanged views on sharing information to jointly prohibit smuggling.

During their visit, the entire delegation was accorded a reception by regional people's government Vice Chairman Gyamco. The delegation will return to Nepal by plane on 28 May.

This round of border talks deepened the understanding and friendship between Chinese and Nepalese customs departments and was conducive to developing Sino-Nepalese border trade and solving trade problems.

Vice Foreign Minister, Kuwaiti Official Discuss Ties

OW2805203994 Beijing XINHUA in English 1856
GMT 28 May 94

[Text] Kuwait City, May 28 (XINHUA)—Chinese and Kuwaiti officials today expressed their satisfaction over the development of bilateral ties, saying their cooperation in various fields are in good prospects.

In a meeting with Kuwaiti First Deputy Prime Minister and Foreign Minister Shaykh Sabah al-Ahmad, visiting Chinese Vice Foreign Minister Tian Zengpei said Kuwait is playing an important role in the Middle East and Gulf affairs.

He spoke highly of Kuwait's foreign policy of peace which promotes the stability in the Gulf region, adding that China is closely following the situation in the region.

Tian also stressed that Kuwait's independence, sovereignty and territorial integrity should be fully respected.

Problems left over by the Gulf War should be settled through peaceful negotiations and consultations on the basis of compliance with all UN resolutions on the Gulf War, the Chinese vice foreign minister added.

Kuwaiti Foreign Minister Sabah al-Ahmad also praised the existing relations between Kuwait and China, saying he appreciates China's persistent stand on the third world countries.

Tian, who arrived here later Friday [27 May] night, will meet Kuwaiti Amir Shaykh Jabir al-Ahmad al-Sabah to hand him a letter from Chinese President Jiang Zemin, and to hold talks with Kuwaiti officials on bilateral ties as well as regional and global issues of common interest.

After their three-day visit to Kuwait, Tian and his delegation will visit Saudi Arabia and Syria.

Official Leaves Kuwait for Saudi Arabia

OW3005121894 Beijing XINHUA in English 1201
GMT 30 May 94

[Text] Kuwait City, May 30 (XINHUA)—Chinese Deputy Foreign Minister Tian Zengpei left here for Saudi Arabia today winding up a three-day working visit to Kuwait.

During his visit here, Tian held talks with a number of senior Kuwaiti officials on bilateral relations and regional and as well as Arab issues of mutual concern.

Earlier today, Tian met with Chairman of the Kuwait National Committee for POW's Affairs Sheykh Salim al-Sabah and reviewed with him the latest developments regarding Kuwaiti nationals held in Iraq.

During the discussion, Tian stressed China's support for all U.N. Security council resolutions regarding the Gulf war.

He said China is making diplomatic efforts to carry out all resolutions concerning the release of Kuwaiti detainees, the demarcation of the border and war compensation.

Hu Jintao Meets With Visiting Syrian Party Officials 30 May

OW3005160994 Beijing XINHUA in English 1431
GMT 30 May 94

[Text] Beijing, May 30 (XINHUA)—Hu Jintao, member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, met with Omar al-Abdalia, vice-president of the Higher Political Academy of Syria, and his party here this afternoon.

Hu is also a member of the secretariat and president of the Party School of the CPC Central Committee.

Extending his welcome to the Syrian guests, Hu said that the friendly exchanges between the CPC and the Arab Ba'ith Socialist Party of Syria have been expanding since the two established relations in 1986.

The recent visit to Syria by the CPC delegation has further promoted the friendly relations between the two parties and the two countries as well, he said.

Hu said that it is mutually beneficial for the Party School of the CPC Central Committee and the Syrian Political Academy to strengthen bilateral contacts and exchange experience in school management and in training cadres.

Hu noted that China will firmly support the just cause of the Palestine and Arab peoples to gain national independence and to safeguard their national sovereignty, and that it will continue to strive for promotion of the peace process in the Middle East.

Vice-President Abdalia said that through the visit, they have witnessed with their own eyes the great achievements that China has made in its reform and opening to the outside world.

He said that China's political stability and high-speed economic development have made a deep impression on them.

Abdalia said that they have learned a lot from the CPC Party School in teaching, research and cadre training.

Wang Jiaqiu, member of the CPC Central Committee and vice-president of the Party School of the CPC Central Committee, was present at the meeting.

Li Tieying Meets Director General of Syrian News Agency

OW0106064694 Beijing XINHUA in English 0629
GMT 1 Jun 94

[Text] Beijing, June 1 (XINHUA)—Chinese State Councillor Li Tieying stressed here today that it is a major point of China's diplomacy to maintain its co-operation and friendship with the Third World countries.

Meeting with Fa'iz Sa'igh, director general of the Syrian Arab News Agency, and his party here this morning, Li said China needs to know the rest of the world, while the latter needs to understand China.

"We fully support XINHUA NEWS AGENCY in its activities of establishing friendly ties and co-operation with its counterparts abroad," he added.

Li said he was glad to note that Guo Chaoren, director general of XINHUA, had signed with Sa'igh yesterday an agreement on the exchange of information and co-operation between the two agencies.

Sa'igh said that the aim of signing the agreement was to promote such ties, adding that he believed that co-operation between the two agencies will surely grow with the coming into effect of the agreement.

It will also enable the two agencies to introduce their respective countries' achievements to the world in a better way.

On China's foreign policies, Li said that China always pursues an independent foreign policy of peace, opposes any form of hegemonism, supports the efforts that the Arab people have made in safeguarding regional peace and their efforts for accelerating the peace process in the Middle East.

He urged all parties concerned in the Middle East to settle their regional disputes through dialogues and negotiations so as to bring about permanent peace.

Sa'igh said Syria has made unremitting efforts for the settlement of the Middle East issue in a complete, fair and reasonable way, and hopes that the relevant resolutions of the United Nations will be fully implemented.

During the meeting Li briefed the visitors on China's economic growth, and reform and opening to the outside world.

The Syrian visitors arrived here May 31 as guests of XINHUA NEWS AGENCY.

CPC, Syrian Ba'th Party Sign Friendship Protocol
OW3005064494 Beijing XINHUA Domestic Service in Chinese 1534 GMT 27 May 94

[By XINHUA reporters Wang Genbao (3769 2704 1405) and Chen Yong (7115 0516) and RENMIN RIBAO reporter Wu Wenbin (0702 2429 2430)]

[Text] Damascus, May 27 (XINHUA)—A visiting CPC delegation signed a friendship protocol with the Syrian Arab Ba'th Socialist Party here this morning.

The protocol was signed by Li Chengren, deputy head of the CPC's International Liaison Department, and Sayf al-din, secretary of International Relations Bureau of the Arab Ba'th Party. Wei Jianxing, head of the CPC delegation and member of the Political Bureau and Secretariat of the CPC Central Committee, and 'Abdallah al-Ahmar,

assistant secretary general of the Syrian Arab Ba'th Party, attended the signing ceremony.

The two-year cooperation protocol stipulates that in order to strengthen bilateral friendship and cooperation, the CPC and the Arab Ba'th Party will exchange visits by leaders and mass organizations on a regular basis to hold talks on party and political affairs, and to consult and exchange views with each other on issues of mutual concern and on the international situation.

The CPC delegation left here for home this morning after winding up their five-day official goodwill visit to Syria. Before his departure, Wei Jianxing said in an interview with Syrian television reporters at the airport that the CPC delegation's visit to Syria was a complete success and that he was satisfied with the results of the talks. He also said that relations between the two parties and friendship between the peoples of the two nations have been enhanced as a result of the visit.

Sub-Saharan Africa

Cameroonian Ministers Meet PRC Delegation
OW2805072994 Beijing XINHUA Domestic Service in Chinese 0533 GMT 26 May 94

[Text] Yaounde, 25 May (XINHUA)—Bipoun Woum, Cameroonian cultural minister, and Franses Enkuayin, External Ministry Foreign Envoys Department director [name as received] today met separately with a Chinese Government cultural delegation, led by Vice Culture Minister Chen Changben.

At the meetings, the two sides spoke highly of the friendly cooperation in the cultural field between the two countries, and expressed the desire for further development of such cooperation.

The Chinese delegation arrived here this morning, and will visit cultural and educational facilities in the country.

Ethiopian Ambassador Calls for 'Urgent Food Aid'

OW2805090994 Beijing XINHUA in English 0736 GMT 28 May 94

[Text] Beijing, May 28 (XINHUA)—Ethiopian Ambassador to China Addul Menan Sheka called on the international community to give his country urgent food aid since starvation is threatening nearly 6.7 million Ethiopian people.

He said this at a press conference marking the third anniversary of the downfall of Ethiopia's military dictatorial regime.

He said that since the overthrow of the military dictatorship, the transitional government had succeeded in promoting peace and stability in the country, and a charter for the transitional period was also signed.

The Ethiopian Council of Representatives had adopted the draft Constitution and would submit it to a constituent

assembly which would be established following the forthcoming elections in Ethiopia next month, he said.

The ambassador said that the Ethiopian Government had drawn up a new policy which outlines measures and tasks in economic development.

Supreme People's Court President Meets Guinean Counterpart

OW3105114094 Beijing XINHUA in English 1127
GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—Ren Jianxin, president of the Chinese Supreme People's Court, met with Lamine Sidime, president of the Guinean Supreme Court, and his party and hosted a dinner in their honor here this evening.

Sidime and his party arrived here today as guests of the Chinese Supreme People's Court. They are expected to visit Shanghai and Guangzhou besides Beijing.

NPC's Buhe Receives Zimbabwe Minister

OW3005144394 Beijing XINHUA in English 1239
GMT 30 May 94

[Text] Beijing, May 30 (XINHUA)—Buhe, vice-chairman of China's National People's Congress Standing Committee, met with Didymus Mutasa, minister of national affairs, employment creation and cooperatives of Zimbabwe, and his party here this afternoon.

Mutasa and his party arrived here Sunday [29 May] as guests of the Chinese People's Association for Friendship With Foreign Countries.

Besides Beijing, they are also expected to travel to Shanghai, Guangzhou and Zhuhai.

West Europe

Beijing Delegation Visits Paris, Signs Contracts

HK3005072894 Beijing ZHONGGUO XINWEN
SHE in Chinese 1126 GMT 14 May 94

[Text] Paris, 13 May (ZHONGGUO XINWEN SHE)—A Beijing municipal government and trade delegation headed by Beijing mayor Li Qiyuan is paying a four-day goodwill visit to Paris from 12 to 15 May. So far, the delegation has signed contracts and agreements with French enterprises on a few cooperation projects.

The Industry and Commerce Federation of Paris gave a welcome lunch party at noon today in honor of the Beijing delegation. The deputy speaker of Metropolitan Paris' national assembly, (Brahm) [bu la mu 1580 2139 1191], attended the party.

Addressing the party, Mayor Li Qiyuan said: China's reform and opening up policy and its efforts to attract foreign capital and import foreign technology have promoted economic development in the country. So far, more than 8,000 foreign-funded enterprises have been established in Beijing, the value of investment contracts amounts to

\$11.3 billion, and the value of technology import projects has reached \$2.5 billion. In 1993, Beijing municipality's foreign trade volume increased by 500 percent over the previous year, with imports volume increasing 110 times [as received]. In 1993, Beijing municipality's exports to France were valued at \$24.9 million, while French investment in Beijing totaled \$75 million.

Li Qiyuan noted that since 1987, when Beijing and Paris established friendly city relations, economic ties and trade as well as cultural exchanges between the two cities have developed constantly. He hoped his current visit would help enhance cooperation between the two cities in all areas and contribute to Sino-French friendship.

An official in charge of the delegation told this reporter that after its arrival in Paris the Beijing municipal delegation has signed contracts and agreements with French enterprises on a few cooperation projects, among which is a contract signed between Beijing Winery and Pernod Ricard Group on a joint venture to be established in Beijing—Beijing-Pernod Ricard Group. According to the agreement, the total investment value of the project will be \$29 million, with the French partner contributing 65 percent of investment, while the Chinese partner provides 35 percent. Currently, the French partner has paid up \$7.8 million as a portion of the shares, and the first phase of the project is expected to officially begin operations by July.

China Packaging Industry Development Company Limited and the (Saint Gobain) [0857 1122 0202] Company yesterday signed a cooperation agreement on an investment of \$30 million to establish a pull-tab can factory in Beijing with a capacity of 500 million cans a year. The project is expected to be officially put into operation by the end of next year. In addition, Beijing Milk Products Company has signed an agreement with a French food company to build a fresh milk and yogurt plant in Beijing involving an investment of \$20 million. Beijing Heavy-Duty Power Generator Plant has signed an agreement on a feasibility study of industrial cooperation and an understanding on a joint venture with the Alstom [7093 1422 2448 6639] company. On 15 May, the Beijing delegation will sign another agreement with the Lafarge Coppee Group on a cooperation project to build a cement plant in Beijing.

The delegation headed by Mayor Li Qiyuan will leave Paris on 15 May for Germany to attend a conference of the world's mayors which is being held there.

Germany To Provide 250 Million Marks in Aid

OW3105034494 Beijing XINHUA in English 0239
GMT 31 May 94

[Text] Bonn, May 30 (XINHUA)—Germany will provide China with 251.9 million marks (about 168 million U.S. dollars) in development aid this year, the German Government announced here today.

Most of the funds will come in the form of low-interest loans, and the rest as an outright grant.

The money will be used to improve China's environment, infrastructure and rural telecommunications.

Maltese Premier Previews Visit to Beijing

OW3005174294 Beijing XINHUA Domestic Service
in Chinese 0609 GMT 27 May 94

[By reporter Huang Changrui 7806 2490 3843]

[Text] Valletta, 26 May (XINHUA)—When interviewed by this reporter before his departure for China at the Prime Minister's Office on 26 May, Maltese Prime Minister Fenech Adami said "Malta and China have maintained a very good relationship since their establishment of diplomatic ties. The purpose of my upcoming visit to China is to explore ways to make the bilateral relationship even better."

Fenech Adami recalled his first visit to China in 1978 when he was the leader of Malta's opposition party. He said: "It was at that time that I began to realize the importance of developing the Maltese-Chinese relationship." He said Malta and China may further explore means of cooperation in other areas, including economics and finance. He added that he would exchange views with Chinese leaders over bilateral relations and over multilateral international cooperation while in Beijing.

Discussing the domestic economy, Adami said that Malta is readjusting its economic structure and that Malta has scored positive results in the areas of developing the economy, foreign trade, and in raising the people's living standards. He said that while Western Europe's economy is still in a downturn, Malta is enjoying continued economic growth. Its unemployment rate is only 4 percent. Both its tourism and electronic industry have achieved gratifying developments. He also stressed that Malta is striving to join the European Union, which is very important to Malta economically and politically.

Turning to the situation in the Mediterranean, Adami said: "As a country situated in the middle of the Mediterranean, Malta stands for promoting cooperation with other countries in the region and for establishing a permanent organization that will serve as a place for dialogue and cooperation for the countries in the region."

He also noted that the situation in the Mediterranean sometimes becomes critical or even very turbulent. However, as a whole, a situation that is cause for undue concern has yet to develop. Still, there is a need to keep a close watch on the development of negative trends.

Maltese President Meets Parliamentary Delegation

OW0106034494 Beijing XINHUA in English 0307
GMT 1 Jun 94

[Text] Valletta, May 31 (XINHUA)—Maltese President Dr. Ugo Mifsud Bonnici met here today with a delegation from the National People's Congress of China (NPC) led by vice-chairman of the Standing Committee of the NPC, Wang Guangying.

During the meeting Bonnici spoke highly of China's great achievements in many areas since the adoption of the reform and opening policy in the late 1970s.

Bonnici and Wang both stressed that further development of friendly relations between Malta and China would promote the two nations' economic development and world peace and stability.

They also discussed bilateral cooperation in the fields of politics, the economy and culture as well as international issues of mutual concern.

Earlier, the speaker of the Maltese parliament also met with Wang and his party.

The Chinese delegation arrived here on Monday after visiting Portugal.

NPC Vice Chairman Wang Guangying Meets Portuguese Minister

OW2805073494 Beijing XINHUA Domestic Service
in Chinese 0855 GMT 26 May 94

[By reporter Chen Jiaying (7115 1367 3841)]

[Text] Lisbon, 25 May (XINHUA)—Wang Guangying, Chinese National People's Congress (NPC) Standing Committee vice chairman, met with Durao Barroso, Portuguese secretary of state for foreign affairs, here today.

The Portuguese foreign secretary said: Exchange of visits between senior leaders of Portugal and China has increased noticeably in recent years. It is an honor for Portugal to have received Chinese President Jiang Zemin, Premier Li Peng, Vice President Rong Yiren, and the current visit by Vice Chairman Wang Guangying and an NPC delegation led by him. These high-level contacts have strengthened the good relations between our two countries.

He added: The relationship with China is a focal point of Portugal's foreign affairs. To develop Portuguese-Chinese relations is neither an interim choice nor temporary demand. It is the Portuguese Government's policy to develop long-term stable relations with China; as well as the common goal of both Portuguese ruling and opposition parties to expand ties with China.

In reply, Vice Chairman Wang Guangying said: China and Portugal share common interests as both are devoted to developing their domestic economies and safeguarding world peace. The two countries, which have cooperated well on the Macao issue and conducted friendly consultations to ensure Macao's smooth transition, will set their eyes on developing friendly cooperation in various fields in the future.

The Portuguese foreign secretary appreciated Wang Guangying's remarks, saying the Portuguese Government has attached great importance to the process of transferring Macao's sovereignty to China. Prime Minister Silva's recent visit to China has contributed to this process.

Trade Minister Says Spain To Develop Ties With Beijing*OW0106052794 Beijing XINHUA in English 0510 GMT 1 Jun 94*

[Text] Madrid, May 31 (XINHUA)—Spanish Trade and Tourism Minister Javier Navarro said here today that his government regards China as one of the most favorite nations with which to develop economic and trade relations.

Addressing a seminar on the potential of the Chinese market, Navarro urged Spanish entrepreneurs to strive to increase their investment in China and to promote bilateral trade.

He pointed out that China is a developing nation with a population of over 1.1 billion, and that the Spanish government will assist businesses to take advantage of the opportunities available.

Song Guoqing, the Chinese ambassador to Spain, and more than 200 Spanish businessmen attended the seminar.

Spanish Foreign Ministry Official Visits 28-31 May*OW3105074994 Beijing XINHUA in English 0725 GMT 31 May 94*

[Text] Beijing, May 31 (XINHUA)—Francisco Villar, secretary-general of foreign policy of the Spanish Foreign Ministry, paid a visit to China from May 28 to 31, as guest of the Chinese Foreign Ministry.

Qian Qichen, Chinese vice-premier and foreign minister; and Li Shuzheng, head of the International Liaison Department of the Chinese Communist Party's Central Committee; met with the Spanish visitor on separate occasions during his stay in Beijing.

Chinese Vice-Foreign Minister Jiang Enzhu held talks with Villar. In the talks, they exchanged views on bilateral relations and other international issues of common concern.

Swedish Deputy Prime Minister Receives Deng Pufang*OW3105052194 Beijing XINHUA Domestic Service in Chinese 0423 GMT 29 May 94*

[By reporter Xu Furui (6079 4395 3843)]

[Text] Stockholm, 28 May (XINHUA)—Bengt Westerberg, Swedish deputy prime minister and minister of social affairs, met with Deng Pufang, president of the China Federation for the Disabled, here on the afternoon of 28 May.

At the meeting, the two sides briefed each other about the policy and state of work related to the disabled in their respective countries and expressed the desire to step up cooperation and exchanges in the work related to the disabled.

On the morning of 28 May, Deng Pufang attended a discussion with representatives from leading Swedish organizations of the disabled.

A delegation of the China Federation for the Disabled led by Deng Pufang arrived in Sweden on 27 May for a goodwill visit at the invitation of Sweden's National Health and Social Welfare Committee. The delegation, which will be in Sweden until 31 May, will visit various places pertaining to employment for the disabled in Sweden.

East Europe**State Councillor Luo Gan Meets Albanian Visitors***OW2805122194 Beijing XINHUA in English 1154 GMT 28 May 94*

[Text] Beijing, May 28 (XINHUA)—Chinese State Councillor and Secretary-General of the State Council Luo Gan met with and hosted a banquet in honor of Vullnet Ademi, secretary-general of the Council of Ministers of Albania, and his party here today.

The two officials exchanged views primarily on Sino-Albanian cooperation in economic, trade and other fields.

Ademi and his party arrived here on May 26 as Luo's guests.

During their stay here, the Albanian visitors met with officials from the Foreign Ministry, the State Commission for Economic Restructuring and the China National Council of Light Industry.

Qian Qichen Receives Head of Croatia's INA Oil Company*LD3105121894 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 31 May 94*

[Text] Qian Qichen, PRC deputy premier and foreign minister, has received Dr. Franjo Greguric, chief economic adviser of [Croatian President] Dr. Franjo Tudjman and managing director of the Croatian oil company INA, who is leading an INA delegation on a visit to China, and Andrija Kojanovic, the Croatian ambassador in Beijing.

Qian Qichen stressed that he recalls with pleasure his visit to Zagreb last year and his meeting with President Tudjman, Prime Minister Valentic, and Foreign Minister Granic. At the same time, he asked Dr. Greguric to convey to President Tudjman and the Croatian leadership the Chinese leadership's wishes for the improved well-being of Croatia.

China, Qian Qichen stressed, supports the territorial integrity of the Republic of Croatia within its internationally recognized borders and advocates the peaceful resolution of problems.

Greguric stressed that President Tudjman and the Republic of Croatia have an enduring desire for peace. He asked for China's further support in the UN Security

Council, especially as regards the mandate of the UN Protection Force [UNPROFOR], with whose work the Republic of Croatia is not satisfied.

Dr. Greguric conveyed the request of President Tudjman and the Croatian Government that China advocate more effective work by UNPROFOR. He also reported on the current situation in the Republic of Croatia, on relations with Bosnia-Herzegovina in the wake of the Washington and Vienna agreements, on the process of setting up a Bosnia-Herzegovina federation and future confederal relations between Croatia and a Bosnia-Herzegovina federation, as well as the stagnation of the negotiations with representatives of local Serbs in Croatia.

Czech Deputy Prime Minister Receives Chinese Delegation

OW2805043494 Beijing XINHUA in English 0410
GMT 28 May 94

[Text] Prague, May 27 (XINHUA)—The Czech Republic is willing to expand and strengthen economic and trade relations with China, said a high-ranking Czech official here today.

Ivan Kocarnik, deputy-prime minister and finance minister of the Czech Republic, told a visiting Chinese delegation that the Czech Government treasures Czech-Chinese friendship and attaches great importance to the development of relations between the two nations.

He stressed that his nation regards China as a major partner, and therefore supports cooperation between enterprises of the two countries.

The Chinese delegation, led by Lu Yanchang, vice minister of the Power Industry, arrived here on Wednesday [25 May] for a working visit. The delegation has exchanged views with Czech leaders and entrepreneurs about cooperation in the power industry between the two countries.

President Jiang Zemin Meets Polish House Speaker

OW0106065494 Beijing XINHUA in English 0621
GMT 1 Jun 94

[Text] Beijing, June 1 (XINHUA)—Chinese President Jiang

Zemin said here today that China is willing to further its friendship and co-operation with Poland on the basis of the five principles of peaceful co-existence.

Jiang told a delegation of the Polish House of Representatives, headed by its speaker Jozef Oleksy, that the current China visit marked a major event in bilateral relations and was of great significance in helping to promote mutual understanding and trust, to strengthen mutual friendship and co-operation and to promote the development of bilateral relations.

Jiang expressed his satisfaction with the development of bilateral co-operation in recent years in the fields of politics, economy, and science and technology as well as culture.

China and Poland enjoy a profound and traditional friendship and they are both devoted to developing their economies and the cause of peace and development and further friendly co-operation will serve the fundamental interests and desires of the two peoples, Jiang said.

China is willing to strengthen its co-operation with Poland in economy and trade.

Oleksy said that Poland and China share much in common, and developing comprehensive co-operation in various fields with China is an aspiration of the Polish Government.

They exchanged views on some international and regional issues of common interest.

The Polish speaker and his party will visit Shanghai, China's largest industrial city.

Poland Claims PRC Support for UN Security Council Position

LD3105094494 Warsaw Radio Warszawa Network
in Polish 0900 GMT 31 May 94

[Text] In 1996 Poland will apply for membership of the UN Security Council. Poland wants to become one of the nonpermanent members of the UN Security Council. Sejm Speaker Jozef Oleksy said after his talks with Chinese politicians in Beijing that our country can count on favorable reaction from the People's Republic of China, which is one of the permanent members of the UN Security Council.

Slovenian Deputy Prime Minister Arrives in Beijing

OW3105142194 Beijing XINHUA in English 1347
GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—Lojze Peterle, deputy prime minister and minister of foreign affairs of the Republic of Slovenia, arrived here by air this evening.

Lojze Peterle has come for a six-day official visit to China as guest of his Chinese counterpart Qian Qichen.

Chinese Vice-Foreign Minister Dai Bingguo and Slovenian Ambassador to China Ivan Senicar [name as received] were among those present at the airport to greet the Slovenian guests.

Qian Qichen Holds Talks With Slovenian Foreign Minister

OW0106091594 Beijing XINHUA in English 0754
GMT 1 Jun 94

[Text] Beijing, June 1 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that the Chinese Government is keen to develop friendly ties and cooperation with Slovenia.

In his talks with Slovenian Deputy Prime Minister and Minister of Foreign Affairs Lojze Peterle here this morning, Qian said that China is ready to promote bilateral cooperation in all spheres.

Lojze Peterle arrived here Tuesday [31 May] evening on a six-day official visit to China.

There is no obstacle to the development of Sino-Slovenian cooperation, Qian said.

During Qian's September visit to Slovenia, the two countries signed a number of cooperation agreements and the first session of a Sino-Slovenian Commission on Economy and Trade was held.

Slovenia's prime minister is to visit China within the year, which will coincide with the second session of the commission.

These are all signs of the gradual deepening of the all-round ties between China and Slovenia, Qian noted.

China adopts a positive attitude towards developing economic and trade links with Slovenia, and there existed a good basis and potential for this cooperation in the past, Qian said.

To fully tap this potential, the two governments should encourage their enterprises to contact each other more frequently and adopt more ways of cooperation, he said, adding that the sister-city relationship should also be reinforced.

He expressed the hope that the contacts between Slovenian businessmen, who are here with the deputy prime minister, and their Chinese counterparts will bear positive results.

Peterle said that he was happy to be here, and that his trip would deepen bilateral ties.

He agreed with Qian that the two countries should adopt various forms to propel their cooperation to a new high.

The visit to China by Slovenia's prime minister later in the year, and the meeting of the Economic and Trade Commission of the two countries would lay a solid basis for further cooperation between the two countries, Peterle said.

After the talks, Qian and Peterle, on behalf of their governments, signed an agreement on the mutual exemption of diplomatic and service passport visas.

Chinese Vice-Foreign Minister Dai Bingguo and Slovenian Ambassador to China Ivan Senicar [name as received] were present at the talks and the signing ceremony.

Latin America & Caribbean

Zhang Wannian Meets Argentine Military Officials

OW3005145294 Beijing XINHUA in English 1242
GMT 30 May 94

[Text] Beijing, May 30 (XINHUA)—Zhang Wannian, chief of General Staff of the Chinese People's Liberation Army (PLA), met with a six-member group from Argentina and hosted a dinner in their honor here today.

They held friendly talks on developing and strengthening the relations between the armed forces of the two countries.

Commander of the Beijing Military area command Li Laizhu was present at the meeting.

Before the meeting, Zhang hosted a welcoming ceremony for the Argentine guests.

The group, headed by Dr. Heriberto Jorge Baeza, secretary of military affairs of the National Defense Ministry of Argentina, and Mario Candido Diaz, Joint Chief of Staff of the Argentine Armed Forces, arrived here yesterday at the invitation of the Chinese Ministry of National Defense. They are also scheduled to visit Xian, Hangzhou and Shanghai.

Chi Haotian Meets Argentine Guests

OW3105132894 Beijing XINHUA in English 1247
GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—General Chi Haotian, Chinese state councillor and defense minister, met with a six-member group from Argentina and hosted a dinner in their honor here today.

The visitors, headed by Dr. Heriberto Jorge Baeza, secretary of military affairs of the National Defense Ministry of Argentina, and Mario Candido Diaz, joint chief of staff of the Argentine Armed Forces, are here as guests of the Chinese Ministry of National Defense.

Chi said that the development of friendly and cooperative relations between China and Argentina, two influential countries in the world, would be of major significance to the peace and stability of the Asian and Latin American regions and even the world as a whole.

Baeza expressed the belief that his group's current China tour will promote friendship between the two countries and the two armed forces.

Commander of the Beijing Military Area Command Li Laizhu was present at the meeting.

The Argentine guests arrived here on May 29. They are also scheduled to visit Xian, Hangzhou and Shanghai.

Chilean President Receives Chinese Delegation

OW2605015494 Beijing XINHUA Domestic Service
in Chinese 0735 GMT 24 May 94

[By reporter Wu Huizhong (0702 1920 1813)]

[Text] Santiago, 23 May (XINHUA)—During a meeting with Liu Jiachen, Vice President of the Chinese Supreme People's Court, at the presidential office this afternoon, Chilean President Eduardo Frei Ruiz-Tagle underscored the great importance that Chile attaches to developing friendly relations and cooperation with China.

President Frei said: The Chinese judicial delegation's visit is continuing the series of visits that have taken place between Chile and China. Former President Patricio Aylwin Azocar, during his visit to China in 1992, laid a sound foundation for the development of relations between Chile and China. He said he personally would continue to work for the further development of relations between the two countries.

He said: Chile attaches great importance to developing its relations with China and to learning from China's experience in economic development. He expressed the belief that it was of "crucial importance" to both countries to further develop bilateral relations.

Vice President Liu Jiachen said: Relations between the two countries have developed continuously since China and Chile established diplomatic relations more than 20 years ago. He expressed the hope that the visit would further increase contacts between the two countries, especially between their judicial circles.

This morning, the Chinese judicial delegation held separate meetings with Chilean Supreme Court President Marcos Aburto and Chilean Justice Minister Maria Soledad Alvear. In the afternoon, it also met with Chilean Senate President Valdes.

The Chinese judicial delegation led by Liu Jiachen arrived here this morning for a five-day official visit to Chile. It is the first Chinese judicial delegation to visit Chile since the two countries established diplomatic relations.

Li Lanqing Meets Chilean Minister

OW2605131094 Beijing XINHUA in English 1252
GMT 26 May 94

[Text] Beijing, May 26 (XINHUA)—Chinese Vice Premier Li Lanqing met here today with Alvaro Garcia, Chilean minister of economy.

In the meeting, Li voiced satisfaction with the continuous expansion of Sino-Chilean economic and trade cooperation.

Garcia is here as guest of China's State Planning Commission.

Li Tieying Meets Ecuadorian Education, Culture Minister

OW2505153294 Beijing XINHUA in English 1255
GMT 25 May 94

[Text] Beijing, May 25 (XINHUA)—Li Tieying, Chinese State Councillor and minister in charge of the State Commission for Restructuring the Economy, met here today with Rosalia Arteaga, Ecuadorian minister of education and culture.

Li said that the Chinese Government attaches importance to developing its relations with Ecuador and other Latin American countries.

Arteaga is here as guest of the Chinese Ministry of Culture. Yesterday the Ecuadorian minister, on behalf of the Ecuadorian Government, conferred a medal on the Chinese minister of culture, Liu Zhongde, in recognition of his dedication to the development of cultural undertakings.

Inner Mongolia Chairman Receives Uruguay Delegation

SK0106062694 Hohhot NEIMENGGU RIBAO in
Chinese 10 May 94 p 1

[Text] Wu Liji, chairman of the autonomous regional people's government, received at the government auditorium, the government and agricultural delegation of Uruguay headed by Saravia, Pedro, minister of agriculture and fishing and his wife on 8 May.

During the reception, Wu Liji welcomed the Uruguayan guests on their visit and briefed the guests on the region's situation in reform, opening up, and agricultural development. He said: The production of agriculture and animal husbandry and the processing of livestock products in the autonomous region have much in common with Uruguay. Both have cooperated extensively in economy, trade, science and technology, culture, and education. All domestic and foreign business firms and businessmen are welcome to undertake solo or joint ventures investment for common development.

Zhang Tingwu, vice chairman of the autonomous regional people's government, attended the reception.

The Uruguayan guests arrived in Hohhot on the evening of 7 May.

Political & Social

Jiang Zemin, Li Peng Greet 'Young Pioneers'

OW3105163594 Beijing XINHUA in English 1611
GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—A group of 200 children from poor and rich areas across China gathered at the Zhongnanhai compound of the Chinese Central Government this afternoon to be greeted by Chinese leaders.

Singing and cheering, the children gathered around Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, and Li Peng, Chinese premier, joined by other senior Chinese officials.

After two young pioneers presented their gifts—red scarves worn by young pioneers—Li sighed, "it seems that I have become younger."

Among today's guests, a little girl in her wheelchair caught the attention of the crowds. The girl, named Li Huang, suffers from congenital muscular malnutrition. But she has studied hard, overcoming a host of difficulties.

"Marvelous, marvelous," Jiang sighed after hearing the story.

Huang Cheng, a special guest from Baise prefecture, Guangxi Zhuang Autonomous Region, is another happy child who could return to school with the donation of veteran Chinese leader Deng Xiaoping. She asked Jiang Zemin and Li Peng to extend greetings and thanks to Grandpa Deng.

Jiang Zemin extended his festival greeting to the 170 million Chinese children through the little guests present. He lauded the efforts of the Chinese children to make friendships bridging across poor and rich areas.

The get-together ended in applause after the children presented gifts they made themselves—greeting cards. Jiang and Li presented schoolbags to the children.

Reform Through Labor in Prison System Explained

Part One

OW2705092594 Beijing China Radio International
in English to Western North America 0400 GMT
20 May 94

[From the "Current Affairs" program]

[Text] Reform through labor is still an essential part of China's prison system. CRI's [China Radio International's] (Li Ben) has filed a two-part story on the (real scenario) behind China's prisons and the life of prisoners in prison farms. Here's Dong Jun with the first story in our series:

[Begin recording] [Dong Jun] China believes that criminals can become better people and China always tries to give prisoners a new life. Our reporter talked with Zhang Xiufu, the vice minister of justice.

[Zhang speaking in Mandarin fading into English translation read by Dong] Zhang Xiufu said: There are many ways to reform prisoners. For example, all criminals receive political, moral, and law education while in jail. China wants the whole society to work together for this endeavor and the first step is labor reform. At present, China has more than 1 million convicts in about 600 prisons scattered all over the nation. These prisoners are engaged in various forms of labor, such as working on farms and in factories.

Zhang Xiufu said only through labor can criminals be tamed. He said one of the main motives for crime is to gain without working; through labor, a prisoner will cultivate a work habit, know to cherish his own creation, and form a sense of discipline. Zhang said: In 1950's, China successfully reformed Japanese war criminals and the last feudal emperor, Pu Yi. They all began a new life after working for a while in a farm.

Wang Minbing is an official in charge of prison affairs. He said: All their work is to prepare prisoners for their future. The prisoners have many opportunities to attend courses and learn skills in their work. These skills will be essential when they look for jobs in the future. Every year, more than 200,000 prisoners obtain a diploma confirmed by educational departments or vocational skill certificate granted by labor departments.

Wang Minbing explained: [Wang speaking in Mandarin fading into English translation read by Dong] Wang said the correctional administrators must be warm-hearted to the convicts and let them see hope. Their goal is to transform the prisoners into better men and women. Wang said it is a humanitarian deed to the prisoners, their families, and society. Wang Minbing said: Only 6 to 8 percent of those released after serving sentences commit crime again within two years. Ninety percent are transformed into law-abiding citizens.

However, the living conditions in some jails are sometimes not good. Vice Minister of Justice Zhang Xiufu said: This is because China is still a developing country and the people's average standard of living is low. In fact, the prisoners' cost of living is similar to that of ordinary citizens. He believes the situation in prison will be improved along with the country's economic growth. [end recording]

That was Dong Jun with the report on China's reform through labor prison. Our reporter (Li Ben) also visited (?Xiyuan) Prison in Shanghai to talk to the inmates there. Tomorrow at the same time, you will hear some prisoners talk about their lives behind bars.

Part Two

OW2705114294 Beijing China Radio International
in English to Western North America 0400 GMT
21 May 94

[From the "Current Affairs" program]

[Text] A CRI [China Radio International] reporter (Li Ben) visited the (?Xiyuan) Prison in Shanghai last week and talked with some prisoners there about their lives behind bars. Dong Jun has the second part of our series on prisons in China:

[Recording begins with a Chinese song fading into Dong Jun's voice in English] This song was written by inmates in the (?Xiyuan) Prison; the lyrics express not only regret for the past, but also determination to become a better person.

Singer Li Haibo has been here for five years. He was found guilty of forgery and embezzlement in 1989. Now he is a member of the New Life Song and Dance Troupe in the prison. Fifty other inmates are also members of the group. Li Haibo said the correction officials believe music cures the wounds in the prisoners' hearts.

[Li is briefly heard speaking in Mandarin fading into English translation] It may sound impossible that one can learn music in jail, but we are doing it. Music has been a good influence on me. I believe if I always try my best and perform well, the government will reduce my sentence.

[Dong] There are altogether more than 3,000 inmates in this prison. Besides the song and dance troupe, many prisoners have joined art classes to learn sculpture, painting, and handicraft making. Others study computer science, accounting, and English. The prison administrator said they had been organizing these activities for 11 years in the hope that prisoners can benefit from them in the future. However, the main activity for the inmates is labor. It is believed that through labor, the prisoners will form good work habits and the sense of discipline and cooperation.

In the (?Xiyuan) Prison, inmates make clothing. Twenty-year-old Wang Jiang is serving a four-year sentence for burglary. Our reporter talked with him, while he was making prison uniforms in the factory.

[Reporter] Is this hard work?

[Wang is briefly heard speaking in Mandarin fading into English translation] It's OK, not very harsh.

[Reporter] How many hours do you work everyday?

[Wang] Eight hours a day.

[Reporter] What do you think about working in prison?

[Wang] It's very good for me. I was spoiled by my parents and hated work. But now I know what life means; it will do me good when I go back to society.

[Dong] Mai Lianhua is the warden of the prison. He said the meals of the inmates are scientifically arranged. [Mai is briefly heard speaking in Mandarin fading into English translation] We pay a lot of attention to the nutrition of the food. We are supplying vegetable, meat, and other staple food according to the needs of the body.

[Dong] Mai Lianhua said there are five dishes provided for each meal. Everyday, the menu is put up for the prisoners to see. Most of them have regular meals; male inmates over

60 and female over 55 can enjoy special meals. Muslims have their own cafeteria. Everyone will receive a special meal on his or her birthday. However, the rooms for the inmates here are rather crowded. Built in 1901 by British colonizers, the prison is (?already) small, and Shanghai is well-known for its housing problems. In this city of 12 million, even law-abiding citizens don't have a big enough place to live.

Twenty-two-year-old Xie Ying has been an inmate here for three years. [Xie is heard briefly speaking in Mandarin fading into English translation] The food here is alright. The room is very small; there are two people who share one room. It's OK. We can take a shower everyday in the summer.

[Dong] There's a warden hotline in the prison. Inmates may call the warden when they have problems. They can also write to government offices if they think they are being treated unfairly. A psychological counseling office has also been set up for the inmates. It opens twice a week. The prisoners' conversations with doctors are kept confidential.

Eleven foreign convicts are also inmates here. They are from Britain, the U.S., Germany, Pakistan, and Myanmar [Burma]. Most of them are convicted of drug-related offenses. They study Chinese laws and language while in jail. Some of them teach the Chinese inmates English. Their living allowances are 20 percent higher than a Chinese prisoner and all of them have their own cells.

[Lachlan Campbell] is from the United Kingdom. He was sentenced to 15 years for marijuana trafficking two years ago. He has learned how to make artistic masks while in prison. When asked if he's being treated fair, (Campbell) had this to say:

[(Campbell)] For sure, for sure. One hundred percent sure. The treatment here is very fair. With the warden, with the education [words indistinct] They always try to help us. At the beginning we weren't sure, but when warden comes out with Mr. Dong and Mr. (Jin), they always offer assistance. Now that we understand it, we have been here two years, now we understand it.

[Dong] (Lachlan Campbell) also had this to say to his family:

[(Campbell)] I want to say to my family that I hope to see you in the not so distant future. Thank you. That would be very nice and tell them that I'm in good health and I play regular football. We have lots of football competitions and I enjoy playing football very much.

[Dong] For all the prisoners, going home is their biggest wish. The prison is a place for them, not only to repent and correct their mistakes, but also to prepare for the new life in the future. For China Radio International, I am Dong Jun. [end recording]

Article Views Factions' Consensus on Stability*HK0106010194 Hong Kong TANGTAI in Chinese
No 38, 15 May 94 pp 23-24, 19*

[Article by Lu Yushan (7627 6276 2619) from Beijing: "Various Factions Take Action To Prevent Disturbances To Solidify Themselves"]

[Text] It seems that China's hardliners are again gaining ground. Many people believe that this has something to do with Deng Xiaoping's recent state of health. There are many indications that Deng's health is deteriorating and that he has further detached himself from state affairs, though Chinese official quarters and his relatives repeatedly dismiss such reports as groundless. This is a recent development which warrants attention.

All intra-party factions are trying to keep the situation under control to capitalize on Deng's still being alive. In the meantime they will take the opportunity to consolidate their strength. Therefore they can reach a consensus on the question of maintaining stability and even on pursuing a tough policy to suppress civilian rebellious activities. The situation in the period immediately before Mao Zedong's death in 1976 is a case in point. At that time both "the gang of four," and Ye Jianying and Hua Guofeng were loath to see disturbances created by civilians for fear that such disturbances would affect their plans and the Communist Party's position as the ruling party, so they could unanimously agree to suppress the "5 April Tiananmen unrest." The present situation is similar to that in 1976.

Deng Xiaoping's Health Is Really in Question

The discussion of Deng's state of health may remind many people of the television pictures of Deng's public appearances in Shanghai during the last Spring Festival period broadcast by Chinese Central Television. According to a reliable source, the Shanghai Television crew responsible for shooting Deng's activities had intended to take as good pictures as they could so that they could fulfilled the task assigned to them by Chinese Central Television, but they found it difficult to accomplish the task because they could not even record a complete sentence by Deng. In the end Shanghai Television could not but deliver all the pictures they took to Chinese Central Television, which in turn submitted them to the Deng Xiaoping Office for inspection. So the pictures shown by Chinese Central Television were actually those selected by the Deng Xiaoping Office. From this people can imagine what Deng's state of health was like at that time.

The source continued: Deng's family members emphasize that Deng is in good shape and that he is not in hospital. This is correct, because even if Deng fell ill, doctors would stay at his home to take care of him, as was the case with Mao Zedong. The reports about Deng's health began spreading in early March.

The source added: However, that Deng is in poor health does not mean he is as good as dead. Chinese leaders have excellent methods of keeping fit and prolonging their lives. Chen Yun has survived serious illnesses three times over

the last five years. Is he not still kicking now? Having had his blood changed (it is reported that Deng also suffers from cancer of the blood), Deng will also increase his life force.

Nevertheless, it is certain that the opportunities for Deng to take personal care of state affairs will decrease considerably. The Deng Xiaoping Office led by Deng Rong and several persons trusted by the office have in fact taken over a lot of Deng's workload.

Jiang Zemin Steps Up His Efforts To Draw the Military Over to His Side

In Deng's few remaining years, his health will certainly affect the several inner-party factions' struggle to consolidate their positions. In fact people in Chinese political circles are aware that the big shots in the CPC hierarchy have defined their focal points of work to expand their influence over the last six months. This tendency has become more evident recently.

Jiang Zemin placed his stress on the military. He was clearly aware that he must obtain the support of the military before he could have the situation well in hand and that he badly needed such support at present. Therefore, he made arrangements several years ago and obtained the gratitude of Liu Huaqing and Zhang Zhen by, together with Liu, squeezing out Yang Baibing and his followers. A military officer must perform military exploits before he can have a secure position in the military, but how can he perform military exploits in times of peace? Under the circumstances, Jiang considered it military exploits to obtain economic interests, or interests in the form of promotion [wei jun fang qu de sheng qian li yi 3634 6511 2455 0648 1779 0581 6692 0448 4135], for the military. Hence, after helping Liu displace Yang and his followers, he paid close attention to personnel arrangements in the military. According to a reliable source, Jiang examined any promotion of officers at division level and above and interviewed those officers of army level and above recommended for promotion.

During the second session of the eighth National People's Congress [NPC] held last March, Jiang frequently attended the group discussions of the People's Liberation Army delegation to listen to their demands. He supported the argument that the state must increase military expenditure by a big margin mainly for the purpose of improving servicemen's living conditions (the relevant proposals were adopted by the last NPC meeting). When other delegations which had demanded that he attend their group meetings made veiled criticism of his refusal to do so, Jiang put on airs, saying "whoever has opinions can express them to me directly."

It is safe to say that Jiang has recently reshuffled the military leadership to a certain extent. Though he is still unable to get absolute support from the military (partly because those who were sacked remain unconvinced of his leadership and partly because he has made fairly few contributions), he is still supported by those military officers in power (including Liu Huaqing, Zhang Zhen,

and the retired Zhang Aiping), and again his move did not cause serious concern to Deng. That is how Jiang has pursued his line by enlisting support from the military.

Qiao Shi Expands the NPC's Authority

Qiao Shi has also worked actively in his own interests. He has devoted his energy to the NPC and to procuratorial, judicial, and public security organizations, which had been under his leadership for many years. Since he was appointed NPC chairman, he has proposed improving the NPC's operation at every meeting. To this end, he recently tabled four specific measures:

1. Gradually grant legislative power to local people's congresses. Local people's congresses should be allowed to enact laws which have not been enacted by the central government when they consider it necessary to do so on condition that they do not go against the principles laid down by the central government. The Guangdong Provincial People's Congress has set such a precedent.
2. Change the present legislative procedures. Many laws and regulations are now first drafted by government departments and then submitted to the NPC for examination and approval. This practice concentrates the concrete contents and actions of the administration of justice in the hands of the government system. There is no supervision to speak of in this regard. The government departments will legislate according to their own needs. In Qiao's view, the people's congress should be responsible for future legislation, and civilian experts can be invited to draft certain laws, subject to the NPC's examination and approval. The drafting of the "Securities Law" under the leadership of Li Yining has provided such a precedent.
3. Change the practice of "enforcing regulations on a trial basis before passing them into law" into the practice of "making laws before enforcing them." The past practice is equivalent to "groping our way across the river by feeling the stones on the bottom." If regulations are not passed into law beforehand, the regulations will be distorted or have their nature changed in accordance with the government's actual needs. Therefore, Qiao is trying to consolidate the NPC's authority.
4. Train law-enforcement personnel. In the past, there were no laws to go by in China, but at present there are difficulties in enforcing laws, or the law is not strictly enforced. This has everything to do with the quality of law-enforcement personnel. Therefore, Qiao stressed the need to intensify training for law-enforcement personnel.

Ding Guangen Stops the NPC From Publishing a Newspaper

Apart from the four measures, Qiao has also constantly tried to reinforce the NPC's position. Earlier, a number of scholars and staff members of the NPC proposed setting up an organization to study the people's congress system. This was subject to the approval of the CPC Central Committee Propaganda Department because it involved

ideology. But unexpectedly, the department rejected the application. Consequently, Qiao was forced to concern himself with the matter.

Again, the NPC so far has no newspaper of its own (the party has RENMIN RIBAO as its mouthpiece; the central government JINGJI RIBAO; and the Chinese People's Political Consultative Conference RENMIN ZHENGXIE BAO). Earlier, some people suggested making FAZHI RIBAO an affiliated organ of the NPC. But the Justice Ministry, which owns the newspaper, declined the suggestion, because the newspaper has been bringing in a handsome profit to the ministry. Therefore, the NPC Standing Committee pressed for publishing a newspaper, temporarily called RENMIN ZHI SHENG BAO [PEOPLE'S VOICE], as its mouthpiece. This had to be approved by the CPC Central Committee Propaganda Department, but the application was turned down by Ding Guangen, head of the propaganda department. Only after Qiao called Ding directly was the application approved. It is still unknown when the newspaper will come off the presses. Wang Xiaoyun, a NPC staff member, is planning the work. All this indicates the effort Qiao has made to intensify the NPC's position.

What were Qiao's intentions in doing all this? Consolidating his own position or really reforming the NPC? His present efforts will actually serve to strengthen the NPC's functions. But how to prevent the NPC from degenerating into a tool of power struggles remains a matter warranting attention.

Zhu Rongji Dismisses Sun Weiben From His Post

Zhu Rongji has shown little ambition in his work (as he is appraised by his subordinates as well as subordinates of other senior officials). As he is mainly responsible for economic matters and is decisive in handling matters—it was Zhu Rongji who decided to remove Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, from office and Jiang Zemin had no objection to his decision—he will be able to strengthen his position and I will say no more about him.

Li Peng has received little attention from the CPC hierarchy. He is now responsible only for foreign affairs (he is also responsible for Hong Kong affairs, so a fairly hard-line policy is being pursued. He is Zhou Nan's strongest boss). The view shared by members of the CPC hierarchy is that if Li Peng does not disappear from the political arena after Deng's death, he will step down like Hua Guofeng with the change in the situation.

No matter what will happen to the present pattern of power in the future, the present reality is that all factions are trying to reinforce their positions while Deng is still alive and that they are reluctant to see any destabilizing factors affecting their time and opportunity for reinforcing their strength. The poorer Deng's health and the less he concerns himself with state affairs, the more opportunities there will be for them. Therefore, the CPC hierarchy has almost reached a consensus in employing hardball tactics to maintain political stability.

Commentary Calls for Cleansing Cultural Market

OW3105203894 Beijing XINHUA Domestic Service
in Chinese 2103 GMT 28 May 94

[Commentary by reporter Feng Yingbing (7458 3841 0393): "The Positive and Negative Sides of Cultural Market Development"]

[Text] Beijing, 29 May (XINHUA)—People have begun to pay closer attention to China's cultural market, which has experienced great development propelled by the great tide of reform and opening up.

Strictly speaking, the expression cultural market can be defined in a broad as well as a narrow sense. In a broad sense, cultural market refers to the performing arts, cinema, painting, audio-visual products, entertainment, books, newspapers, and magazines. In a narrow sense, cultural market mainly refers to books, newspapers, magazines, audio-visual products, and entertainment. At present, the narrow-sense cultural market has been the subject of discussions by an increasing number of people because of the existence of many salient problems related to books and other publications, audio-visual products, and entertainment.

China's cultural market has enjoyed rapid and full-bloom development over the last decade. The cultural market as a whole is brisk, orderly, healthy, and thriving. An expert in the area of culture summed up the Chinese cultural market at present in the following manner. He said a brisk, orderly, healthy, and thriving cultural market broadens investment opportunities. A pattern marked by state, collective, individual, and foreign investment has begun to take shape in China. A consumption structure that is rich and varied in form and conditions not only greatly enriches urban and rural citizens' cultural lives, satisfies the masses' different cultural tastes and demands, but also promotes the further development of cultural undertakings. In conclusion, he said a booming cultural market helps culture to play its aesthetic, educational, and cognitive functions, as well as create a very flexible environment for economic construction.

However, one should also see to the serious loss of balance that is plaguing the cultural market. The loss of balance can be seen in the following areas. The regional imbalance involves a large gap which is developing between economically-developed and undeveloped regions and between urban and rural areas. The lack of balance in overall arrangements involves performance market shortages and oversupply on the entertainment market. The lack of balance in the quality of performance is characterized by a reversal of the pyramid of first, second, and third-rate performances and by a situation wherein entertainment spots for the general public have turned into the preserve of a few. The loss of balance in cultural content is characterized by the predominance of outside over indigenous culture. Although the aforementioned phenomena are still developing, we need to pay close attention to them and correct them through working out quick macro-control measures.

Particularly worth pointing out is the negative side of the cultural market. People in some localities are engaged in the illegal production and marketing of pornographic books, newspapers, magazines, audio-visual products, of providing sex services on the entertainment market, and of using video-game machines for gambling purposes. Therefore, it is necessary to adopt a more forceful and effective measure to thoroughly cleanse these negative phenomena from the cultural market.

Of course, it is not right to close the windows just because a few flies have flown into the room. The proper thing to do is to install screens on the windows to prevent the flies from coming into the room and to build a tight management network. Relevant departments have done a lot of work in this regard and they are now working toward the goal of establishing a rational cultural structure and of improving cultural laws and regulations. As the adoption of the abovementioned measures are far from enough, we need to adopt further measures to plug all the loopholes. What is needed most now is to energetically and strictly enforce the law and to deal with the "flies" without mercy. While going all out to "cleanse" the cultural market, we should also devote great efforts to promote the culture, to help create conditions for great works that eulogize the main trend of the times, as well as to use creative works that are popular with the masses to throw away dirty mud, to cleanse muddied water, and to occupy the high ground of the cultural market.

Government Takes Steps as 4 June Nears

HK0106055194 Hong Kong MING PAO in Chinese
1 Jun 94 p A2

[By MING PAO special reporter Liang Kuo-jen (2733 0948 0088): "Beijing Orders Nipping Unrest in the Bud; Senior Cadres' Children in the United States Told Not To Return Home for Time Being"]

[Text] The atmosphere in Beijing remains tense two days ahead of the fifth anniversary of the 4 June incident. In a document distributed throughout the country a few days ago, the top CPC level said that all kinds of measures will be adopted to maintain the stability of the situation and "to nip unrest in the bud." Armed police and anti-riot forces nationwide, as well as mechanized troops in the military regions, have been on level one alert since the middle of May.

According to a source in Beijing, although there is nothing out of the ordinary among Beijing residents, many insiders are worried about the externally relaxed but internally tense atmosphere. A reliable source disclosed that a number of children of senior CPC officials studying in the United States had originally planned to return to Beijing by the end of May and early June to meet relatives or do business. However, they recently received calls from home urging them to postpone their trips.

As Chinese-American Larry Wu has entered the mainland on numerous occasions with false identity papers, shooting documentaries which slandered the authorities, it is said

that the Ministry of Public Security, Immigration Management Bureau, Armed Police Headquarters, and Ministry of State Security jointly sent a message a few days ago to all border posts urging them to keep a close watch over foreigners, Chinese students returning from abroad, and, in particular, foreigners of Chinese origin on the eve of 4 June.

In a document for internal circulation distributed throughout the country, the source disclosed that the top CPC level had stressed that stability is the overriding task at present. Party committees and governments at all levels must try by every means to adopt all sorts of measures to maintain social stability. It is a Chinese tradition to mark 5th and 10th anniversaries of events, the document pointed out. As the fifth anniversary of the 1989 Beijing political disturbance (referring to the 4 June incident) falls this year, hostile forces at home and abroad have threatened to launch a series of sabotage activities. Therefore, all localities should take precautions on the eve of 4 June and "nip all sorts of unrest in the bud." The document said that the central authorities are ready for any eventuality and have taken precautions. It is said that public security, armed police, and special anti-riot forces nationwide, even mechanized troops in the military regions, have been on level one alert since the middle of May.

The general office of the CPC Central Committee and State Council notified departments at all levels a few days ago, asking central, provincial, and ministerial leaders who are on inspection tours to return to their posts before early June, personally be on duty, and to be prepared at all times for any contingency.

The externally relaxed but internally tense precautions adopted by the authorities have exerted great pressure on government officials and intellectuals. Outspoken intellectuals and dissidents in Beijing have been very careful while receiving telephone interviews from abroad. They almost spoke in unison: "I dare not say that. It is not convenient to say that." A pro-democracy activist living in the home of a friend explained: "They are afraid of getting other people involved." Another writer, who ended his life in exile and returned home not long ago, cried out in alarm: "How can they make phone calls at such a moment!"

Security, Judicial Organs Get Personnel Boost

HK0106010394 Hong Kong TANGTAI in Chinese
No 38, 15 May 94 pp 18-19

[By Lu Yu-shan (4151 6276 2619): "An Increase of 130,000 Personnel in Public Security Organs, Procuratorial Organs, and Courts—CPC Is Getting Tough Mostly for Stability]

[Text] Judging from what Chinese officials have recently done abroad and at home, people have the feeling that the higher echelons of the Chinese leadership are adopting a policy of tightening up, and the get-tough mentality has raised its head once again.

Although every event has its own specific backdrop and the causes for it cannot be lumped together, just as an

insider said: Apart from their specific backdrops, these tightening-up phenomena are inseparable from the macroclimate of China's current political environment. Historical experiences have proven that tightening up of the overall climate is enough to make things that could have been handled in a relaxed manner rigid. How the higher echelons of the CPC leadership judge changes in the situation is an important factor in whether the macroclimate is tightened up or relaxed.

So, what made the higher echelons of the CPC leadership think that the recent situation was worsening and regard it as necessary to tighten up? According to the insider's analysis, a single factor was not enough to worry the higher echelons of the CPC leadership. What made them nervous was the multiplying of factors they deemed anything but reassuring and the simultaneous existence or worsening of those factors. It is revealed that the factors include the following:

Intellectuals' Free Discussion Becomes a Focus of Attention

1. The political factor:

—Deng Xiaoping's health is a cause for the concern of all sides in society.

—The fifth anniversary of the 4 June incident is approaching. People attach special attention to every "five-year" or "10-year" date. It is learned that in February this year, a number of persons regarded as sensitive gathered in an open place near the Beijing Nationality Hotel, chatting about recent developments and current affairs. The authorities became nervous because they regarded the meeting, which was originally an idle-talk gathering, as being the same in nature as the "Beijing Hotel conference" in which the intellectuals rose in revolt in 1989. Moreover, word circulated from the authorities' inner circles that the information they had gathered revealed that some people were planning "some action" during the fifth anniversary of the 4 June incident. This made them feel more disturbed.

—As Deng Xiaoping's health is declining, all forces are racing against time to consolidate themselves. Therefore, they all need "stability" both internationally and domestically and thus agree to tighten up.

2. The economic factor.

3. The social factor:

—What most worries the CPC is that the workers' and peasants' sentiments are unsecured. There are indications that some workers' movements have been integrated with the intellectuals. Last year the government discovered for the first time that when studying the reasons for the failure of the pro-democracy movement of 1989, some people concluded that it "failed to integrate with the workers and peasants." This year, this

momentum has become increasingly clear and underground trade unions have become more and more active, thus making the authorities become more nervous.

- The public security situation and corruption have drastically deteriorated, becoming a hidden crisis for social unrest. The most cohesive and appealing call during the pro-democracy movement of 1989 was to "struggle against corruption." Recently, the higher echelons of the CPC leadership have been studying four or five corruption cases of cadres at the vice-ministerial level, one of which involved a vice minister of power industry. When announcing such cases, the CPC confined itself just to the case of Li Xiaoshi, vice minister of the State Science and Technology Commission, and kept the others secret.

The Chinese authorities have set up an "Anticorruption Bureau" under the procuratorate with additional manpower and necessary facilities to replace the former "Economic Supervision Department." Nevertheless, in the last six months, the higher echelons of the CPC leadership unexpectedly discovered that the procuratorates and the courts also "competed with each other for business." The procuratorates held up and reached conclusions on 40 percent of the cases which ought to be handled by the courts, because they could proportionately retain "case-handling fees" by so doing and the litigants had to pay "business-trip allowances." In this way, the impartiality of the law is bound to be reduced significantly and popular discontent can be found almost everywhere.

- Social unrest generated by a fall in the standard of living is a time bomb which the CPC carefully guards against.

An Additional 130,000 Personnel Are Employed To Carry Out the "Severe Crackdown" Drive

The insider stated that the abovementioned factors played a certain role in the efforts of the CPC to tighten up recently. Political and economic factors are, more often than not, a latent crisis, while social factors are an "igniter." This being the case, the CPC will not make any concessions on political and human rights issues. Otherwise, domestic and overseas forces will form a united front against it. It has to adopt a "severe crackdown" stand on the public security issue. (Of the serious cases which constituted 25 percent of the national total in the first quarter of this year, quite a lot were cases "cracked" by the authorities so as to reduce others to submission.) If no "severe crackdown" is carried out, there will be instability in the grass-roots units. On the issue of integration of the workers movement and the pro-democracy movement, tremendous forces should be employed against it even more. Otherwise, the ruling foundations will be shaken.

Therefore, in February this year, the higher echelons of the CPC leadership dispatched personnel to conduct a social investigation to discover the possibility and degree of "popular disorder." Later, they conducted similar investigations on a greater scale in March in northeast China, northwest China, Hunan and Hubei, and Shanghai, with a view to conducting such activities in selected localities

with different setups. The investigation results showed: "Destabilizing factors are numerous."

Then they urgently worked on countermeasures. At the meeting of the Political Bureau in early March, they unanimously agreed "to try every possible means to keep the situation stable and under control." Things that could have been handled in a relaxed manner should now be handled carefully and tight restrictions should be imposed if necessary. The higher echelons of the CPC leadership have thus decided to provide an additional 130,000 personnel to local public security organs, procuratorial organs, and courts so as to strengthen their work. (When launching the "severe crackdown" drive in 1984, the public security organs, procuratorial organs, and courts received a boost of 200,000 personnel. The current one is the second-largest one-time boost in personnel ever seen.) Zhu Rongji ordered the allocation of 500 million yuan as a relief fund for "those in exceptionally great difficulties." On 5 April (the commemoration day for the Tiananmen incident), Jiang Zemin called together military leaders in Beijing and urged them to make preparations to avoid popular disorder. He said: "Public security organs, procuratorial organs, and courts have coordinated their activities."

Crime, Punishment in the PRC for 17-31 May

HK0106073894

[Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored by Hong Kong Bureau during the period 17-31 May. The source and mode of processing are given in parentheses at the end of each entry. Certain reports deemed more significant may have been filed separately, in which case the summary will include the serial number of the separately filed item.

As evidenced by the stories listed below, during the month PRC crime reportage focused on no single issue.

National

Dangerous Railway Travel in Mainland China

After the Qiandao Hu tragedy, the Tourism Bureau of the Transportation Ministry of Taiwan announced a safety grading of mainland tourist spots, listing 11 tourist spots as high risks. In fact, tourists may be facing dangers everywhere in the Chinese mainland now.

The public security department of China's railway authority revealed that 15 railway lines were regarded as dangerous. These railway lines included the Chengdu-Kunming line, the Guangzhou-Chengdu line, the Guiyang-Kunming line, and the Lanzhou-Urumqi line. In 1993, 3,200 robbery cases occurred on railway lines, causing more than 260 million yuan in losses. Security authorities arrested more than 2,300 railway robbers and executed more than 370 such criminals. In the first three months of this year, robbery cases increased by 7 percent over the same period of last year. (Summary) (Hong Kong CHENG MING in Chinese 1 May p 25)

Sale of Fake Jeeps Rampant in China

The legal affairs office of Beijing Jeep Corporation Limited (BJC) disclosed that assembling and selling counterfeit BJC Brand jeeps is quite rampant. So far more than 2,000 fakes have been discovered, but the actual number is much higher than this. Counterfeit Jeeps have been found in 29 provinces and autonomous regions throughout China. More than 600 counterfeit jeeps were discovered in Hubei in 1992; some 200 others were found in Yunnan in 1993; and more than 100 were unearthed in Xinjiang. Tax evasion through the sales of counterfeit Jeeps has caused a revenue loss of tens of millions of yuan to the state each year. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0754 GMT 16 May 94)

Fujian, Guangdong Authorities Cooperate on Human Smuggling Cases

Since April this year, public security departments in Guangdong have assisted Fujian public security departments in curbing three major cases of smuggling human cargo. About 140 illegal emigrants from Fujian and east Guangdong have been arrested along with four organizers from Hong Kong and Taiwan. (Summary) (Hong Kong HSIN WAN PAO in Chinese 16 May 94 p 2)

Nationwide Tax Inspection Turns Up Evasion Cases

Special nationwide tax inspections on 8,090,000 tax-paying individual business households by the State General Administration of Taxation in 1993 yielded 1.435 billion yuan in deferred tax payments, fines, levies on tax default, and so on; 834 tax offenses were referred to judicial authorities, 422 of which were concluded, including 51 people getting court sentences. Self-inspections were allowed for 7,560,000 individual business households, and tax authorities concentrated on another 3,330,000. [figures as published] The inspections identified two problems: Private firms trying to evade taxes by claiming to be collective units; and the doctoring accounts by issuing unsubstantiated invoices. (Hong Kong WEN WEI PO in Chinese 25 May 94 p a5)

International Bank Draft Forgery Scam Exposed

The Ministry of State Security arrested a few days ago in Beijing eight people suspected to be members of an international fraud gang and seized 25 forged bank drafts each worth \$10 million, and fake seals and name chops of government officials and enterprises in a \$250 million financial scam that came to light when Zhang Changsheng, a manager of the Changzhou Agricultural Bank, contacted the Industrial and Commercial Bank of China in Beijing alerting it to the suspicious bank draft copies issued by a Gibraltar (Hong Kong) Company payable by the bank. The bank notified the security ministry when it found out that the bank drafts were forged. (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1205 GMT 29 May 94)

Provincial

Beijing

New Laws for 'Unhealthy Practices' in Entertainment Venues

Municipal authorities are drafting new regulations to control the practice of bar hostesses "keeping customers company." Over 1,000 such establishments staged more than 90,000 entertainment nights for some 6 million customers last year. In some cases sex services were offered, and a harsh crackdown on such activities has failed to correct the trend.

The new regulations are aimed at strengthening comprehensive administration of entertainment venues and at curbing unhealthy trends. They clearly state that all such venues must apply for business and safety permits and business licenses. No keeping company with customers by female attendants will be allowed. Pornographic and other unhealthy means will not be allowed to attract customers. Violations of the regulations may result in the loss of business permits or licenses, depending on the seriousness of the offenses. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1339 GMT 25 May)

Fujian

Authorities Deal With Rush of Crimes by Migrant Workers

The Fujian police revealed that a large number of migrant workers from Sichuan, Anhui, and Jiangxi rural areas have been stranded in the southeastern Fujian cities of Fuzhou, Xiamen, and Zhangzhou since the spring of this year. Because of high rainfall in these cities, many construction projects have been halted, leaving many migrant workers with no work to do. To make a living, they have to steal, rob, and engage in pornography, causing serious problems to social order in these localities. In the Fuzhou and Xiamen railway stations, about 700 migrant workers have been arrested for carrying out criminal activities. (Summary) (Hong Kong WEN WEI PO in Chinese 18 May 94 p b16)

Juvenile Crime Rate on Increase in Quanzhou

According to the public security organs in Quanzhou, the city's juvenile delinquency rate is rising sharply. In the first quarter of this year, the city's procuratorial organs at city and county levels arrested 490 juvenile delinquents, far surpassing the 209 arrested in the same period of last year.

According to information, influenced by the Hong Kong and Taiwan movies which depict martial arts and gun battles, some young people organize gangs and fight. The Licheng Public Security Bureau recently cracked a criminal gang which called itself "pocket knife society." The youngest member of gang was only nine years old, and the eldest was not over 18, but every one of them was armed with a small knife and had a mark on his arm, making it resemble a secret society.

A circular here holds that one of the causes leading to the rise of the juvenile delinquency rate is the failure of schools to pay attention to moral education, while parents are busy with money-making businesses and neglect mental cultivation of their children. Increasing the crackdown on such juvenile activities only tackles a symptom, whereas the way to tackle the root rests on a society cherishing care and education for children. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1012 GMT 21 May 94)

Gansu

Lanzhou Executes 20 Criminals on 20 May

A public sentences pronouncement rally was held in Lanzhou yesterday morning. At the rally, a total of 20 criminals found guilty of major and serious crimes were sentenced to death, and 21 criminals who had committed murder, robbery, or other hideous crimes were sentenced in accordance with the law.

Among those sentenced to death and executed yesterday were:

Li Qingyong and Liu Bin, who had been found guilty of embezzling public funds totalling more than 2.416 million yuan on five occasions while working in a Lanzhou aluminum factory; Gao Hongying, who had been found guilty of embezzling public funds totalling more than 298,500 yuan while working in a Lanzhou department store; and Chen Jun, who had been found guilty of murder and hooliganism. (Summary) (Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 20 May 94)

Guangdong

Smuggling Cases Down for Year in Dongguan

Last year, Dongguan authorities cracked 171 smuggling cases, a decrease of 53 percent as compared with the previous year. Among the goods seized were 22 boats, cars, television sets, video recorders, cigarettes, and wristwatches. (Summary) (Hong Kong WEN WEI PO in Chinese 16 May 94 p b8)

Shenzhen Improves Social Order, Investment Environment

Since New Year's Day, the Shenzhen Government has taken massive and extensive measures to improve public order and gain a better investment environment.

Statistics show that from 1979 to 1993, Shenzhen attracted a total of 13,489 foreign projects, involving agreed upon capital of \$14.83 billion and actual use of \$5.9 billion. Enterprises run directly by foreign investors total 9,326.

The illegal flow of people from other localities to Shenzhen has aggravated the city's public order. People who have no legal documents, jobs, and fixed residence total 400,000. Over 90 percent of the city's recent traffic accidents and prostitution are related to these people.

In January, the city cracked down on highwaymen, arrested more than 500 offenders, seized more than 50 rifles and 300 other lethal weapons, and recovered over 2 million yuan of stolen money and goods. In February, the police dismantled more than 60,000 huts erected by undocumented emigrants, repatriated 230,000 to their home provinces, smashed 17 human trafficking rings and 33 dens involved in forging traveling documents, and arrested 1,200 offenders. In March and April, 229 cases of vehicle robbery were cracked and 277 offenders were arrested.

Shenzhen has been selected by Guangdong to undertake an experiment in "administering the city according to law," in which new legislation and administrative measures are expected to be introduced this year. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1210 GMT 17 May 94)

Provincewide Criminal Gang Arrested in Huizhou City

A provincewide armed criminal gang, rare in Guangdong Province for the last 40-odd years, was cracked in Huizhou City recently. This gang had committed 57 crimes, killed five people, injured seven others, and stolen property worth 2 million yuan. A few days ago, the Huizhou police arrested 38 gang members while the rest are still at large. This case is still under investigation. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0932 GMT 19 May 94)

Public Security Ministry Commends Guangdong Police

China's Public Security Ministry has recently issued an order conferring a Merit Citation, First Class, on the Zhaoqing City Public Security Bureau's special group for investigating the "3 October drug trafficking case" and on a special team organized by the Guangzhou City Public Security Bureau's Fenghuang Street Police Station for cracking the "20 February drug trafficking case."

In early October, 1993, after being tipped off on a forthcoming big drug deal between domestic and overseas criminals, the Zhaoqing City Public Security Bureau successfully captured 19 overseas and domestic criminals on 3 October. After more than one month of hard work, the Zhaoqing police arrested another seven drug traffickers, thereby thoroughly smashing a notorious drug-trafficking gang composed of overseas and domestic criminals.

On the evening of 19 February, 1993, tipped off on whereabouts of Li Guoding, an armed robber wanted by police, the Fenghuang Street Police Station under the Haizhu District Public Security Sub-bureau of the Guangzhou City Public Security Bureau set up a special team for tracking down the criminal. As a result, Li was captured in the small hours of 20 February. After being interrogated, Li confessed to having bought and sold drugs in collaboration with criminals from Hong Kong and the hinterland. Soon afterwards, the police successfully captured six other drug-traffickers, thus smashing another notorious drug-trafficking gang. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 20 May 94)

Apparent Hijack Attempts Thwarted in Shenzhen

The Shenzhen airport police disclosed that recently a female passenger was arrested for carrying 10 rounds of ammunition; another male passenger was arrested for carrying an anti-riot gun and a bullet. This brought to 16 the number of such cases handled by the Shenzhen airport police this year. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1049 GMT 24 May 94)

Criminal Gang Arrested in Shunde City

After an eight-month investigation, police in Guangdong's Shunde City have crushed a criminal gang; arrested 19 gang members; and seized one army assault rifle, three handguns, two grenades, one double-tube hunting rifle, as well as some ammunition and long knives. Other materials seized include four cars, three motorbikes, and cellular phones which were used to commit crimes. Police have solved 17 serious cases relating to the gang, such as robbery. Mai Zhangqi, head of the gang, was arrested in January this year. (Summary) (Hong Kong MING PAO in Chinese 24 May 94 p a12)

Major Anti-Car Theft Campaign Yields Arrests, Property Recovery

Shantou police report success in an anti-car robbery campaign begun in March. The public security bureau of this Guangdong city reports capture of 611 car thieves, destruction of 71 criminal groups, and recovery of 16 cars, 210 motorcycles, and 4,792 bicycles. In addition the campaign has resulted in action against 1,746 motorists who were unable to present lawful documents such as licenses. Reported cases of car theft dropped by 52 percent in April compared to March. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1306 GMT 25 May)

Police Return Five Stolen Yachts, Six Criminals to Hong Kong

On 25 May, Guangdong police returned five stolen yachts to Hong Kong police, promising to further cooperate in the pursuit and arrest of criminals wanted for crimes in Hong Kong. Six criminals wanted in Hong Kong have been returned since the beginning of this year.

The yachts, which had been stolen from Hong Kong between February and June of last year, were valued at more than 10 million Hong Kong dollars. They had been sold to travel agencies in Guangdong for between 900,000 and 1.5 million Hong Kong dollars. Their recovery was the result of an eight-month effort by a special team set up by Guangdong authorities. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1429 GMT 25 May)

Death Sentences Passed on 33 People for Robbery, Theft, Violence

According to the Guangdong Provincial Higher People's Court, the intermediate courts of 14 cities would call sentencing rallies the next day against 101 people convicted in 34 car theft and robbery cases, 33 of whom were

to receive death sentences. Liu Qinghai, vice president of the higher court, referred to the sentencing rallies as part of a crackdown on car theft and robbery launched this March. The 34 cases involved a range of car models and a total of 6.5 million yuan. In 10 of them criminals used violence and killed or wounded 21 people. Liu pointed out that syndicates are becoming the main perpetrators of car theft. (Hong Kong TA KUNG PAO in Chinese 27 May 94 p 3)

Zhuhai Executes 10 Men for Murder, Kidnapping, Theft

Ten people convicted of murders, kidnapping, and car theft were tried and shot and 22 received heavy jail terms yesterday in Xianzhou and Doumeng towns, Zhuhai City, Guangdong. The ten were He Junwei, Yao Wensheng, Chen Yinglin, Lin Guanzhan, Yan Qingde, Liao Wanjin, Wu Mai, Lin Yichang, Xu Wen, and Xiao Yingwei.

Thirty-year old He Junwei from Zhongshan City was found guilty of murdering a Macao citizen called Lu on 14 April 1993 over a debt dispute and cutting up his body and dumping pieces of it by the roadside. Two men convicted for kidnapping on 4 January 1993 a Mr Cai for a 2 million yuan ransom; one was executed, the other given a life sentence. Four others were convicted of the 19 December 1992 kidnapping of a 13-year old student, who they had falsely imprisoned in a hair salon and then telephoned the boy's father demanding 300,000 yuan as ransom. Three of the men were sentenced to be shot and the fourth was given a 10-year sentence. Six men were found members of a car theft ring which had stolen cars worth over 2 million yuan between October 1992 and March 1993. Officer Xiao Ying, a driver attached to the Zhuhai Transport Company of the Jilin Provincial Armed Police Force, was guilty of stabbing a resident to death at an inn in Doumen town on 2 November 1993 in a quarrel. Xiao was arrested the following day and sentenced to death by court. (Hong Kong WEN WEI PO in Chinese 28 May 1994 p A11)

Guangxi

Guangxi Cracks Down on Indecent Establishments

Since mid-April, 179 massage lounges suspected of engaging in indecent business in Qinzhou, Beihai, and Fancheng Port along the coast of Guangxi have been banned during an "anti-pornography" campaign; at the same time, over 2,100 massage beds have been dismantled, and 24 persons who offered sex services or visited prostitutes have been detained.

Guangxi has mobilized more than 2,300 personnel in the "anti-pornography" campaign along the coast. Major efforts have been made to inspect 902 beauty parlors, sauna rooms, and barber shops; 257 karaoke clubs; 110 shops which show, rent, and sell audio-visual tapes; and a number of billiard rooms, electronic games rooms, and newspapers stalls. Over 300 pornographic books and magazines and 3,000 illegal video tapes and discs have been seized. A total of 63 shops which show and rent video tapes

have been banned or suspended for rectification. (Summary) (Hong Kong WEN WEI PO in Chinese 23 May 94 p b10)

Successes in Anti-Gun Smuggling Campaign Reported

In the last six years the frontier guards of the Guangxi armed police have seized 357 gun-running cases, 1,770 guns, and 14,000 rounds of ammunition. From July last year to the present, the Guangxi Armed Police Corps has destroyed 49 gun-running gangs and arrested 239 suspects. The Guangxi authorities will take further measures to exercise stricter management over border areas so that gun running will be stopped. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1408 GMT 14 May 94)

Hainan

Haikou Anti-Crime Campaign Yields Arrests, Gun Seizures

Over the past 15 years or so, 298 criminals have been arrested, 35 criminal cases solved, 14 gangs destroyed, and six guns seized. (Summary) (Haikou Hainan People's Radio Network in Mandarin 2300 GMT 17 May 94)

Hunan

Anti-Crime Drive Hits Violent, Economic Criminals

Recently, people's courts at various levels have severely punished a number of hooligans, local ruffians, and lawless elements who carried out holdups on trains and buses, with the stress on striking at rapists, murderers, and other criminals whose cases were vicious, and launched a special struggle against criminal activities to sabotage power and telecommunications facilities. One criminal from Hengyang City's Nanyue District who sabotaged power facilities, stole and stripped two distribution switchboards and transformers from 3 to 21 January 1994, thus causing 60,000 yuan or so in direct economic losses and bringing about great indirect economic losses to the state and great harm to society was executed, as were a number of other lawless elements. (Summary) (Changsha Hunan People's Radio in Mandarin 2300 GMT 26 May 94)

Jiangxi

Jiangxi Province Law Courts Sentence Criminals

On 10 May, the law courts in Jiangxi Province held verdict-reading rallies to sentence a number of vicious criminals who had committed crimes which adversely affected public order and the economic environment. The criminals sentenced this time included those who looted, killed, stole, robbed, raped, and so on, to the extent of seriously disrupting the reform, opening up, and economic construction. (Summary) (Nanchang JIANGXI RIBAO in Chinese 11 May 94 p 1)

Kunming

Drug Addicts From Hong Kong, Taiwan Receive Treatment in Kunming

Since July 1991, the PLA-run Drug-Dependent Rehabilitation and Prevention Research Institute of the Kunming General Hospital has helped the rehabilitation of some 1,300 drug addicts including 48 from Hong Kong and Taiwan. At the institute, drug addicts usually can quit their habits in less than 10 days. Professor Sha Lijun of the research institute said they used Western and Chinese medical methods to help reduce pain in the process of ending drug addiction. She said that the institute is currently researching with the Beijing Military School of Medicine and Science a new medication which is expected to be more effective in helping drug addicts quit their drug-taking habit. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1131 GMT 26 May 94)

Ningxia

Fifty Day Anti-Crime Drive Results in 800 Arrests

A 50-day crackdown on crimes launched by Yinchuan City Public Security, Ningxia Region, since mid-March solved 833 cases, smashed 31 rings, and lead to the arrest of 800 people. Among the crimes solved are: A rape case; a gang stealing transformers and copper wire; eight drug cases, with three drug dens smashed and 30 people arrested; and a murder and robbery case from 1989, with a revolver and some ammunition seized. The operations included raids on bars, coffee houses, snooker rooms, and television game centers. (Yinchuan NINGXIA RIBAO in Chinese 19 May 94 p 3)

Shanghai

Nanjing Police Report Drop in Crime Rate

Nanjing City police's persistent efforts to fight crime have brought the crime rate down for three consecutive years. Figures show that the crime rate in 1992 decreased 4.6 percent when compared with 1991 and 6.7 percent when compared with 1992, and the crime rate in the first four months of this year decreased 9.1 percent when compared with the same period of last year. In April, Nanjing City police crushed four criminal gangs and arrested 57 gang members. (Summary) (Beijing FAZHI RIBAO in Chinese 19 May 94 p 1)

Shanghai Procuratorate Prosecutes 26 Drug Criminals

Shanghai Municipal Procuratorate has recently instituted proceedings against 26 drug-related criminals, among them most were unemployed or had previously served in reform-through-labor camps. A total of 558 grams of heroin has been seized. A person in charge of the procuratorate has given assurances that forceful measures will be taken to crack down on drug-related crimes. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1252 GMT 22 May 94)

More Shanghai Enterprises Evade Tax

The situation of tax evasion among Shanghai's enterprises has become more serious. Since this year, the procuratorial organs have discovered 17 cases of tax evasion by enterprises, and the amount of money involved has reached 2.638 million yuan, 2.3 times the total in the city last year. As more and more enterprises take part in market competition, the ways to evade tax also multiply. Some enterprises do not list their incomes in account books; some set up little treasuries or put money in the township and town enterprises, where they can withdraw at any time, so they can evade taxes constantly; some deliberately exaggerate operation costs and hide sales income; and some even utilize the preferential policy granted to them to write invoices for other people in return for money, and to help individual business operators or other units evade taxes. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0652 GMT 22 May 94)

Sichuan

Largest Ever Forgery Cases Cracked in Chengdu

Chengdu City cracked a case of selling forged banknotes worth 160,000 yuan or so, the biggest case of its kind in the city since the founding of the People's Republic of China, and on 13 April this year captured five culprits involved in the case. Acting on the culprits' confessions, the Chengdu City Public Security Bureau spent one month seizing 560,000 yuan or so in forged banknotes in all. (Summary) (Chengdu Sichuan People's Radio in Mandarin 1100 GMT 21 May 94)

Xinjiang

Xinjiang Police Intensifies Crackdown on Crime

An official of the Public Security Department of Xinjiang Uygur Autonomous Region recently said that since the beginning of this year, more than 4,000 criminal cases of various types had been cracked in the region, with some 6,000 criminals caught and ill-gotten money and materials worth a total of 16.15 million yuan recovered.

In view of the fact that the cases of highway and railway robbery and theft were in the increase in the previous period, the public security organs throughout the region launched intensive campaigns against highway and railway robbers and thieves. Public organs along the highways in Northern Xinjiang took measures to crack down on highwaymen and prevent crimes and took coordinated actions to restore law and order in some key sections. In an anticrime action in Iri Prefecture, 134 highwaymen and other criminal offenders were arrested, 20 criminal cases of various types were cracked, and stolen money and materials worth 30,000 yuan were recovered. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0949 GMT 18 May 94)

Yunnan

Courts Severely Punish Drug Criminals

In 1993, courts in the whole province conducted first hearings of 2,391 drug-related cases and completed 2,316 of the cases, sentencing 3,940 persons.

Last year, Yunnan's law courts three times organized province-wide large-scale unified campaigns against drug-related crimes, convened verdict-reading meetings in 71 counties and cities, and executed a number of extremely vicious drug-related criminals. When the Dehong Dai-Jingpo Autonomous Prefecture Intermediate Court held a drug-banning, verdict-reading meeting in Wanding City, it also invited local officials from Burma's Muse, Jiugu, and Namhkam areas to attend; at the meeting, 17 drug-related criminals were executed, and 300,000 grams of drugs were destroyed, witnessed by 5,000 people of various nationalities from inside and outside the border.

The town of Pingyuan held a verdict-reading meeting, which was attended by some 10,000 people; at the meeting, verdicts were read to 20 drug-related criminals, seven of whom were executed. At the same time, law courts in Wenshan Prefecture confiscated houses built by 54 drug-related criminals with illegal income from drug trafficking.

Among the verdicts which became effective in 1993, 3,122 were handed down to drug-related criminals, including 1,039 death sentences, death sentences with a suspension period, and life imprisonment, thus dealing a severe blow to the arrogance of drug-related criminals. (Summary) (Beijing FAZH! RIBAO in Chinese 12 May 94 p 3)

Armed Forest Police Force Formed

The Northeast China Armed Forest Police Force, which was affiliated with the Chinese Ministry of Forestry, was transferred to Yunnan Province to protect the province's forest resources. At the end of 1993, it formally formed the Yunnan Provincial Forest Police Detachment of the Chinese People's Armed Police Force, which is responsible for extinguishing forest fires, providing relief aid, and curbing illegal felling of forest trees and lumber trafficking. Almost all households in many villages on the border between Lijiang Prefecture and Dali Autonomous Prefecture arbitrarily engage in large-scale forest tree felling, totally ignorant of the fact that this is a criminal offense. Troops have been dispatched to northwest Yunnan to stop the illegal transportation of lumber, but smugglers have resorted to deception in transporting rare lumber. To stop the illegal felling of forest trees in the province, the provincial government has taken fundamental measures, including helping poor ethnic people out of their difficulties, propagating forestry laws, and expanding the forest police detachment. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0709 GMT 27 May 94)

Zhejiang

Eight People Tried in Zhejiang for Boat Disaster

The procuratorate in Jinyun County yesterday found eight people responsible for the sinking on 5 April of a boat

which resulted in the deaths of 43 students. The principal and teachers of the students school were found guilty of negligence, and some teachers were charged with being absent from their posts. The owner of the boat was also found guilty of violating safety ordinances, purchasing the vessel without approval, and failure to receive navigation training. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1330 GMT 17 May)

Over 1,300 AIDS-Virus Infection Cases Reported

OW3105133094 Beijing XINHUA in English 1255 GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—A total of 1,361 AIDS-virus carriers have been discovered in 22 Chinese mainland provinces, municipalities and autonomous regions, and 22 of the country's 40 full-blown AIDS patients have died, an official from the Ministry of Public Health said here today.

Some 1,106 cases of the total involved mainland residents and the other 255 were foreigners and foreign citizens of Chinese origin, said the official at a seminar here today on China's AIDS prevention.

Despite the fact that China is one of the regions in the world with a relatively low rate of AIDS-virus infection, the Chinese Government has paid close attention to the issue, Chen Minzhang, minister of public health, told the seminar.

He said that China has intensified its efforts to prevent and curb AIDS, citing that in recent years the country has done a great deal in monitoring, educating on and researching into the disease.

Meanwhile, the Chinese Government has fruitfully cooperated in this area with the United Nations Development Program and the World Health Organization, Chen said.

China will keep to the principle of "prevention first" in its endeavors to curb AIDS and will actively advocate coordination and cooperation among relevant departments, the minister noted. It will also encourage the participation of the whole nation in the struggle against AIDS.

He said China will launch a publicity campaign on preventing and curbing AIDS so as to make people more knowledgeable about AIDS, which in turn is expected to help them avoid unhealthy behavior and boost their capacity of self-protection.

Official sources said that China is to draft medium and long-term plans on the prevention of AIDS as well as to step up the legislation of necessary laws so as to standardize the work and ensure the full implementation of measures designed to curb AIDS.

WHO Awards China 'Tobacco or Health' Medals

OW3105132794 Beijing XINHUA in English 1307 GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—The World Health Organization awarded the Chinese Association on

Smoking and Health and the Health Bureau of Jishan County of Shanxi Province with WHO Tobacco or Health Medals here today.

Today is "World No-Tobacco Day", on which who annually awards individuals and units which have made contributions to smoking control.

The Chinese Association on Smoking and Health has made great efforts to institute smoking controls since it was established in 1990, said an official from the Ministry of Public Health. So far, 26 provincial associations on smoking and health and over 300 basic organizations for smoking control have been set up in the country.

The Health Bureau of Jishan County of Shanxi Province has made remarkable achievements in smoking behavior intervention among farmers. It is trying to transform local custom through health education and formulating the villagers' pledge which advocates the good habit of "not offering cigarettes to guests in public places and at social activities." As a result, the smoking rate has dropped by six percent in the pilot villages of Jishan.

Chen Minzhang, minister of public health, said at the awards ceremony that the Chinese Government has paid much attention to tobacco control and actively supported China's bid for the 10th World Conference on Tobacco or Health.

"I believe that success in our bid for the conference would lead to far-reaching influences upon tobacco control in China," said Chen.

State Council Lists Annulled, Invalid Regulations

OW2805074494 Beijing XINHUA Domestic Service in Chinese 2123 GMT 26 May 94

[Text] Beijing, 27 May (XINHUA)—State Council Decision Concerning the Annulment of Some Administrative Regulations Promulgated Before the End of 1993.

The objective conditions in China have undergone tremendous changes since 1985, when the country undertook to comprehensively sort out the administrative regulations promulgated by or with the approval of the State Council (including its predecessor the Government Administration Council) before the end of 1984. To meet the needs of the new situation—that is, reform, opening up to the outside world, and establishing a socialist market economy—and in accordance with State Council requirements for sorting out the rules and regulations, the State Council ministries undertook again to comprehensively sort out the 286 administrative regulations (excluding the regulations governing foreign-related matters that were declared annulled by a 1988 State Council circular or had become invalid automatically but including administrative regulations promulgated in 1985), the 33 administration regulations that were left out the first time, and the 365 administrative regulations by the State Council between 1986 and 1993—684 pieces in all. After the State Council Bureau of Legislative Affairs item-by-item examination of the sorted out regulations, the State Council has decided to announce the annulment of 21 items (including those that have

become invalid automatically). Of them, 13 were annulled by corresponding new laws or replaced by new administrative regulations while the eight others have become invalid automatically because the intended objects of the regulations disappeared, the period of applicability has expired, or because the specific, legally binding provisions formulated in reference to a specific issue have become obsolete. Rulings that were made on the basis of these administrative regulations remain valid.

Moreover, 86 administrative regulations have been specifically declared annulled by laws and administrative regulations promulgated between 1986 and 1993. A catalog of the invalid regulations is also included here to help various regions and departments obtain an overall understanding of the condition of those invalid administrative regulations, thereby facilitating their work.

Annex I: A catalog of invalid administrative regulations promulgated before the end of 1993 that were annulled or have become invalid automatically (21 items).

Annex II: A catalog of administrative regulations that were specifically annulled by laws and administrative regulations promulgated between 1986 and 1993 (86 items).

List of Invalidated Regulations

OW2805185594 Beijing XINHUA Domestic Service
in Chinese 0145 GMT 27 May 94

["List of the 21 Sets of Administrative Regulations Which Were Promulgated Before the End of 1993 and Which Have Been Abolished or Invalidated on Their Own"]

[Text] Beijing, 27 May (XINHUA)—I. The 13 sets of regulations that have been abolished owing to the formulation of similar new laws or replacement by new administrative regulations

A. serial number

B. name of set of regulations

C. name of promulgator and time of promulgation

D. explanation

A. 1

B. Regulations Concerning Procedures for Settling Labor Disputes

C. Promulgated by the Ministry of Labor on 26 November 1950 with the approval of the Administrative Council on 16 November 1950

D. Regulations have been replaced by the "PRC Regulations Governing the Settlement of Labor Disputes at Enterprises"

A. 2

B. PRC Regulations Governing the Control of Acute Contagious Disease

C. Promulgated by the Ministry of Health on 20 September 1978 with the State Council's approval

D. The "PRC Law for Controlling Contagious Disease" was adopted and promulgated by the Sixth Session of the Seventh National People's Congress [NPC] Standing Committee on 21 February 1989

A. 3

B. PRC Regulations Governing Standardization Control

C. Promulgated by the State Council on 31 July 1979

D. The "PRC International Standardization Law" was adopted and promulgated by the Fifth Session of the Seventh NPC Standing Committee on 29 December 1988; and the "PRC Law Governing Product Quality" was adopted and promulgated by the 30th Session of the Seventh NPC Standing Committee on 22 February 1993

A. 4

B. Interim Regulations Governing the Naming and Renaming of Place Names

C. Promulgated by the State Council on 25 December 1979

D. Replaced by the "Regulations for the Control of Place Names" promulgated by the State Council on 23 January 1986

A. 5

B. Interim Regulations for Promoting Economic Partnership

C. Promulgated by the State Council on 1 July 1980

D. Replaced by "Regulations Governing Certain Issues Regarding the Promotion of Lateral Economic Partnerships" promulgated by the State Council on 23 March 1986

A. 6

B. Detailed Rules for Implementing the PRC Personal Income Tax Law

C. Promulgated by the Ministry of Finance on 14 December 1980 with the approval of the State Council on 10 December 1980

D. Replaced by the "Regulations for Implementing the PRC Personal Income Tax Law" promulgated by the State Council on 28 January 1994

A. 7

B. Regulations for Tightening the Management of Capital Construction Projects and Controlling the Scale of Capital Construction Projects

C. Promulgated by the State Council on 3 March 1981

D. Replaced by the "Regulations for Controlling the Scale of Investment in Fixed Assets" promulgated by the State Council on 9 July 1986

A. 8

B. Interim Regulations Governing Certain Issues Regarding Economic Responsibilities in Industrial Production

C. Formulated by the State Economic Commission, the State Council Structural Reform Office, the State Planning Commission, the Ministry of Finance, the State Labor Administration, the People's Bank of China, and the All-China Federation of Trade Union on 11 November 1981

D. Replaced by the "Interim Regulations Governing Responsibilities of Contractual Operations in State-Owned Industrial Enterprises" promulgated by the State Council on 27 December 1988

A. 9

B. Interim Regulations Governing the Control of Specialized National Companies

C. Promulgated by the State Council on 16 March 1982

D. Replaced by the 3 October 1980 "Decision of the CPC Central Committee and the State Council on Screening and Consolidating Companies" and the 17 August 1989 "Decision of the CPC Central Committee and the State Council on the Continuation of Screening and Consolidating Companies"

A. 10

B. Regulations for Halting Unwarranted Price Increases in Capital Goods

C. Promulgated by the State Council on 26 July 1983

D. Replaced by the "Interim Regulations for Controlling Prices of Major Capital Goods and Prices of Communications and Transportation" promulgated by the State Council on 11 January 1988, and also by the "Interim Measures for Setting Uniform National Price Ceilings for Above-Quota Capital Goods" promulgated by the State Council on 11 January 1988

A. 11

B. Interim Regulations for Expanding State-Operated Industrial Enterprises' Autonomy

C. Promulgated by the State Council on 10 May 1984

D. Replaced by the "Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises" promulgated by the State Council on 23 July 1992

A. 12

B. Interim Regulations Governing Some Issues Regarding Reinvigorating Large- and Medium-Sized State-Owned Industrial Enterprises

C. Formulated by the State Economic Commission and the State Commission for Economic Reform, and transmitted by the State Council on 11 September 1985

D. Replaced by the "Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises" promulgated by the State Council on 23 July 1992

A. 13

B. Regulations for Deepening Enterprise Reform and Reinvigorating Enterprises' Vitality

C. Promulgated by the State Council on 5 December 1986

D. Replaced by the "PRC Regulations Governing Collectively Owned Enterprises in Rural Areas" promulgated by the State Council on 3 June 1990; the "PRC Regulations Governing Collectively Owned Enterprises in Cities and Towns" promulgated by the State Council on 9 September 1991; and the "Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises" promulgated by the State Council on 23 July 1992

II. The eight sets of regulations that have been invalidated on their own owing to the disappearance of objects of regulation, the expiration of the period of validity, or regulations whose legally binding power for certain problems have become obsolete.

A. Serial number

B. Name of set of regulations

C. Name of promulgator and date of promulgation

D. Explanation

A. 1

B. Interim Measures for the Placement of Servicemen Demobilized for Construction

C. Promulgated on 23 October 1954 with the State Council's approval

D. Measures have been invalidated on their own owing to the disappearance of subjects on which the measures can be applied

A. 2

B. Measures Governing Fuel and Electricity Rationing

C. Formulated by the State Planning Commission and other departments and transmitted by the State Council on 9 January 1978

D. These regulations, formulated to meet past needs, have become invalidated on their own.

A. 3

B. Interim Measures Governing Industrial and Communications Enterprises' Efforts To Tap Their Potential and Renovating and Restructuring Themselves

C. Formulated by the State Economic Commission, the State Planning Commission, and the Ministry of Finance; transmitted by the State Council on 21 June 1980

D. These regulations, formulated to meet past needs, have become invalidated on their own.

A. 4

B. Regulations About Commune- and Brigade-Run Enterprises Implementing the General Policy for National Economic Readjustment

C. Promulgated by the State Council on 4 May 1981

D. Invalidated by the expiration of their period of validity.

A. 5

B. Interim Measures Governing the Distribution of Artificial Board

C. Formulated by the State Planning Commission and the State Economic Commission, and transmitted by the State Council on 13 February 1983

D. These regulations, formulated to meet past needs, have become invalidated on their own.

A. 6

B. Regulations Governing Urban Laborers' Cooperative Businesses

C. Promulgated by the State Council on 13 April 1983

D. These regulations, formulated to meet past needs, have become invalidated on their own.

A. 7

B. Interim Measures for Controlling Small-Volume Border Trade

C. Promulgated by the Ministry of Foreign Economic Relations and Trade on 20 December 1984 with State Council's approval on 15 December 1984

D. These regulations, formulated to meet past needs, have become invalidated on their own.

A. 8

B. Regulations Governing the Appraisal and Selection of Quality Goods of the State

C. Promulgated by the State Economic Commission on 10 April 1987 with the State Council's approval on 28 March 1987

D. These regulations, formulated to meet past needs, have become invalidated on their own.

List of Abolished Regulations

OW2905113294 Beijing XINHUA Domestic Service
in Chinese 0246 GMT 27 May 94

["List of the 86 Sets of Administrative Regulations Abolished by the Laws and Administrative Regulations Promulgated Between 1986 and 1993"]

[Text] Beijing, 27 May (XINHUA)—

A. Serial number

B. Name of the regulations

C. Name of the promulgator and the time of their promulgation

D. Year in which regulation was abolished

E. Explanation

A. 1

B. Marriage Registration Procedures

C. Approved by the State Council on 23 October 1980 and promulgated by the Ministry of Civil Affairs on 11 November 1980

D. 1986

E. Abolished upon the promulgation of the "Marriage Registration Procedures" by the Ministry of Civil Affairs on 15 March 1986, which were approved by the State Council on 31 December 1985

A. 2

B. Regulations Governing the Control of Land Use for Housing Construction in Villages and Townships

C. Promulgated by the State Council on 13 February 1982

D. 1986

E. Abolished upon the adoption and promulgation of the "Law of the PRC on Land Control" by the National People's Congress [NPC] Standing Committee on 25 June 1986

A. 3

B. Provisions of the PRC on Articles Brought Into and Out of Chinese Territories by Foreign Diplomatic Missions and Diplomats

C. Promulgated by the State Council on 18 November 1976

D. 1986

E. Abolished upon the promulgation of the "Provisions of the PRC General Administration of Customs on Articles Brought Into and Out of Chinese Territories by Foreign Embassies and Their Personnel" by the General Administration of Customs on 1 December 1986, which were approved by the State Council on 31 October 1986

A. 4

B. Interim Customs Law of the PRC

C. Promulgated by the Government Administration Council on 18 April 1951

D. 1987

E. Abolished upon the NPC Standing Committee's adoption and promulgation of the "PRC Customs Law" on 22 January 1987

A. 5

B. Interim Regulations on the Control of Hostels in Urban Areas

C. Approved by the Government Administration Council on 30 June 1951 and promulgated by the Ministry of Public Security on 15 August 1951

D. 1987

E. Abolished upon the promulgation of the "Procedures for the Control of Public Offenses in the Hotel Industry" by the Ministry of Public Security on 10 November 1987, which were approved by the State Council on 23 September 1987

A. 6

B. Interim Provisions on Handling the Discharge of Compulsory Servicemen From Active Military Service

C. Promulgated by the State Council on 17 March 1958

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations Governing the Placement of Compulsory Servicemen Discharged from Active Military Service" on 12 December 1987

A. 7

B. Provisions on the Control of Medium and Small-Sized Chemical Enterprises' Production Safety

C. Formulated by the State Economic Commission and other departments; approved and relayed by the State Council on 28 January 1961

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations Governing the Safety Control of Dangerous Chemical Substances" on 17 February 1987

A. 8

B. Interim Procedures for the Storage and Control of Dangerous Chemical Substances

C. Formulated by the State Economic Commission and other departments; approved and relayed by the State Council on 28 January 1961

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations Governing the Safety Control of Dangerous Chemical Substances" on 17 February 1987

A. 9

B. Interim Procedures for Certificates for Dealing in and Purchasing Dangerous Chemical Substances

C. Formulated by the State Economic Commission and other departments; approved and relayed by the State Council on 28 January 1961

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations Governing the Safety Control of Dangerous Chemical Substances" on 17 February 1987

A. 10

B. Regulations Governing Railway Transportation of Dangerous Substances

C. Formulated by the State Economic Commission and other departments; approved and relayed by the State Council on 28 January 1961

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations Governing the Safety Control of Dangerous Chemical Substances" on 17 February 1987

A. 11

B. Regulations Governing the Control and Fire Prevention of Chemical Inflammables

C. Formulated by the State Economic Commission and other departments; approved and relayed by the State Council on 28 January 1961

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations Governing the Safety Control of Dangerous Chemical Substances" on 17 February 1987

A. 12

B. Interim Procedures Governing Punishment for Violations of the Regulations on the Control of Explosives and Inflammables

C. Formulated by the State Economic Commission and other departments; approved and relayed by the State Council on 28 January 1961

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations Governing the Safety Control of Dangerous Chemical Substances" on 17 February 1987

A. 13

B. Regulations Governing the Control of Narcotics

C. Promulgated by the State Council on 13 September 1978

D. 1987

E. Abolished upon the State Council's promulgation of the "Procedures for the Control of Narcotic" on 28 November 1987

A. 14

B. Regulations of the PRC on Awarding Good-Quality Products

C. Approved by the State Council on 30 June 1979 and promulgated by the State Economic Commission on 30 June 1979

D. 1987

E. Abolished upon the promulgation by the State Economic Commission on 10 April 1987 of the "State Regulations on Appraising and Selecting Good-Quality Products," which were approved by the State Council on 28 March 1987

A. 15

B. Interim Regulations on Veterinary Drug Management

C. Formulated by the Ministry of Agriculture and approved and transmitted by the State Council on 26 August 1980

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations on Veterinary Drug Management" on 21 May 1987

A. 16

B. Interim Procedures on the Processing of Official Documents by State Administrative Organs

C. Promulgated by the General Office of the State Council on 27 February 1981

D. 1987

E. Abolished upon the State Council General Office's promulgation of the "Procedures on the Processing of Official Documents by State Administrative Organs" on 18 February 1987

A. 17

B. Interim Procedures on Granting Loans by the Bank of China for Establishing Sino-Foreign Joint Ventures

C. Approved by the State Council and promulgated by the Bank of China on 13 March 1981

D. 1987

E. Abolished upon the promulgation by the Bank of China on 24 April 1987 of the "Procedures on Granting Loans by the Bank of China for Enterprises Invested by Foreign Companies," which were approved by the State Council on 7 April 1987

A. 18

B. Interim Regulations on Advertisement Management

C. Promulgated by the State Council on 6 February 1982

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations on Advertisement Management" on 26 October 1987

A. 19

B. Interim Regulations on Price Control

C. Promulgated by the State Council on 6 August 1982

D. 1987

E. Abolished upon the State Council's promulgation of the "Regulations of the PRC on Price Control" on 11 September 1987

A. 20

B. Interim Procedures on Collecting Construction Taxes

C. Promulgated by the State Council on 20 September 1983

D. 1987

E. Abolished upon the State Council's promulgation of the "Interim Regulations of the PRC on Construction Taxes" on 25 June 1987

A. 21

B. Interim Regulations on Preferential Treatment for Families of Revolutionary Martyrs and Revolutionary Servicemen

C. Approved by the Government Administrative Council and promulgated by the Ministry of Interior Affairs on 11 December 1950

D. 1988 (18 documents)

E. Abolished upon the State Council's promulgation of the "Regulations on Pension and Preferential Treatment for Disabled Servicemen and for the Families of Deceased Servicemen" on 18 July 1988

A. 22

B. Interim Regulations on Preferential Treatment and Pension for Disabled Revolutionary Servicemen

C. Approved by the Government Administrative Council and promulgated by the Ministry of Interior Affairs on 11 December 1950

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations on Pension and Preferential Treatment for Disabled Servicemen and for the Families of Deceased Servicemen" on 18 July 1988

A. 23

B. Procedures on Approving Technology Import Contracts

C. Approved by the State Council on 26 August 1985 and promulgated by the Ministry of Foreign Economic Relations and Trade on 18 September 1985

D. 1988

E. Abolished upon the promulgation by the Ministry of Foreign Economic Relations and Trade on 20 January 1988 of the "Rules for the Implementation of the Regulations of the PRC on the Management of Technology

Import Contracts," which were approved by the State Council on 30 December 1987

A. 24

B. Interim Regulations on Honoring Sacrificed and Deceased Revolutionary Servicemen and on Giving Pension to Their Families

C. Approved by the Government Administrative Council and promulgated by the Ministry of Interior Affairs on 11 December 1950

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations on Pension and Preferential Treatment for Disabled Servicemen and for the Families of Deceased Servicemen" on 18 July 1988

A. 25

B. Interim Regulations on Pension for Injured Militia and Laborers Working on a Public Project or for the Family of the Deceased

C. Approved by the Government Administration Council and promulgated by the Ministry of Internal Affairs on 11 December 1950

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations on Pension and Preferential Treatment for Disabled Servicemen or for the Family of the Deceased" on 18 July 1988

A. 26

B. Interim Regulations on Keeping State Secrets

C. Adopted by the 87th Government Administration Conference on 1 June 1951, approved by Chairman of the Central People's Government on 7 June 1951, and promulgated by the Government Administration Council on 8 June 1951

D. 1988

E. Abolished upon the NPC Standing Committee's adoption and promulgation of the "Law of the PRC on Keeping State Secrets" on 5 September 1988

A. 27

B. Provisions on Treatment for Female Workers and Staff During Maternity Stipulated in the "PRC Regulations on Labor Insurance"

C. Amended and promulgated by the Government Administration Council on 2 January 1953

D. 1988

E. Abolished upon the State Council's promulgation of the "Provisions on the Labor Protection for Female Staff and Workers" on 21 July 1988

A. 28

B. Circular on Female Working Personnel's Maternity Leave

C. Promulgated by the State Council on 26 April 1955

D. 1988

E. Abolished upon the State Council's promulgation of the "Provisions on the Labor Protection for Female Staff and Workers" on 21 July 1988

A. 29

B. Urban Traffic Regulations

C. Approved by the State Council on 21 June 1955 and promulgated by the Ministry of Public Security on 6 August 1955

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations of the PRC on Road Traffic Control" on 9 March 1988

A. 30

B. Procedures for Gathering and Delivering Geological Data Nationwide

C. Approved by the State Council and promulgated by the Ministry of Geology on 30 May 1963

D. 1988

E. Abolished upon the promulgation by the Ministry of Geology on 1 July 1988 of the "Procedures for Managing the Gathering and Delivery of Geological Data Nationwide," which were approved by the State Council on 20 May 1988

A. 31

B. Interim Provisions on Issuing Earthquake Predictions

C. Formulated by the State Seismological Bureau and approved and circulated by the State Council on 2 August 1977

D. 1988

E. Abolished upon the State Seismological Bureau's promulgation on 9 August 1988 of the "Provisions on Issuing Earthquake Predictions," approved by the State Council on 7 June 1988

A. 32

B. Decision on the Management of Cash

C. Promulgated by the State Council on 28 November 1977

D. 1988

E. Abolished upon the State Council's promulgation of the "Provisional Regulations on the Management of Cash" on 8 September 1988

A. 33

B. Procedures for the Registration and Administration of Sino-Foreign Joint Ventures

C. Promulgated by the State Council on 26 July 1980

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations of the PRC on the Registration and Administration of Enterprise Corporates" on 3 June 1988

A. 34

B. Trial Procedures for the Examination of Self-Study Students To Be Admitted to Institutions of Higher Education

C. Approved and circulated by the Ministry of Education on 13 January 1981

D. 1988

E. Abolished upon the State Council's promulgation of the "Interim Regulations on the Examination of Self-Study Students To Be Admitted to Institutions of Higher Education" on 3 March 1988

A. 35

B. Regulations on the Registration of Industrial and Commercial Enterprises

C. Promulgated by the State Council on 9 August 1982

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations of the PRC on the Registration and Administration of Enterprise Corporates" on 3 June 1988

A. 36

B. Rules for the Implementation of the PRC Trademark Law

C. Promulgated by the State Council on 10 March 1983

D. 1988

E. Abolished upon the promulgation by the State Administration for Industry and Commerce on 13 January 1988 of the amended "Rules for the Implementation of the Trademark Law of the PRC," which were approved by the State Council on 3 January 1988

A. 37

B. Interim Provisions on the Registration and Administration of Companies

C. Approved by the State Council on 14 August 1985 and promulgated by the State Administration for Industry and Commerce on 25 August 1985.

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations of the PRC on the Registration and Administration of Enterprise Corporates" on 3 June 1988

A. 38

B. Interim Provisions Concerning Auditing Work

C. Promulgated by the State Council on 29 August 1985

D. 1988

E. Abolished upon the State Council's promulgation of the "Regulations of the PRC on Auditing" on 30 November 1988

A. 39

B. Interim Procedures for the Registration of Social Organizations

C. Promulgated by the Administrative Council on 19 October 1950

D. 1989

E. Abolished upon the State Council's promulgation of the "Regulations on the Registration and Administration of Social Organizations" on 25 October 1989

A. 40

B. Regulations on Compulsory Insurance for Airplane Passengers Against Accidental Injuries

C. Promulgated by the Administrative Council's Financial and Economic Committee on 24 April 1951

D. 1989

E. Abolished upon the promulgation of the State Council's No. 28 Decree on the "Interim Provision on the Compensation for Physical Damage to Passengers of Domestic Air Transportation" on 20 February 1989

A. 41

B. Provisional General Principles for the Organization of People's Mediation Committees

C. Promulgated by the Government Administration Council on 22 March 1954

D. 1989

E. Abolished upon the State Council's promulgation on 17 June 1989 of the "Regulations for the Organization of People's Mediation Committees"

A. 42

B. Interim Provisions on Improving the Employment and Management of Temporary Workers

C. Promulgated by the State Council on 10 March 1965

D. 1989

E. Abolished upon the State Council's promulgation on 5 October 1989 of the "Interim Provisions on the Management of Temporary Workers in Enterprises Owned by the Whole People"

A. 43

B. Interim Measures for Organizing and Administering Military Food and Water Supply Stations

C. Formulated by the People's Liberation Army's [PLA] General Staff Department and Interior Service Department and Approved and Relayed by the State Council on 7 April 1965

D. 1989

E. Abolished upon promulgation on 17 November 1989 by the Ministry of Civil Affairs and the PLA's General Logistics Department of the "Measures for Administering Military Food and Water Supply Stations," which were approved by the State Council and the Central Military Commission on 4 October 1989

A. 44

B. Measures for Administering Hygiene Safeguards for Work Involving the Use of Radioisotopes

C. Jointly promulgated by the Ministry of Public Health, the Ministry of Public Security, and the State Science and Technology Commission on 24 February 1979 with the State Council's approval

D. 1989

E. Abolished upon the State Council's promulgation on 24 October 1989 of the "Regulations on Radiation Safeguards for Radioisotopes and Ray-Emitting Equipment"

A. 45

B. Measures for Handling Disputes Over the Boundaries of Administrative Divisions

C. Promulgated by the State Council on 30 May 1981

D. 1989

E. Abolished upon the State Council's promulgation on 3 February 1989 of the "Regulations on Handling Disputes Over the Boundaries of Administrative Divisions"

A. 46

B. Regulations on Urban Planning

C. Promulgated by the State Council on 5 January 1984

D. 1989

E. Abolished upon the NPC Standing Committee's adoption and promulgation on 26 December 1989 of the "Law of the People's Republic of China on Urban Planning"

A. 47

B. Regulations of the People's Republic of China on Import and Export Commodity Inspection

C. Promulgated by the State Council on 28 January 1984

D. 1989

E. Abolished upon the NPC Standing Committee's adoption and promulgation on 21 February 1989 of the "Law of the People's Republic of China on Import and Export Commodity Inspection"

A. 48

B. Clauses regarding detention houses in the "Regulations of the People's Republic of China on Reform Through Labor"

C. Promulgated by the Government Administration Council on 7 September 1954

D. 1990 (eight documents)

E. Abolished upon the State Council's promulgation on 17 March 1990 of the "Regulations of the People's Republic of China on Detention Houses"

A. 49

B. Interim Provisions on the Formation of Total Payrolls

C. Promulgated by the State Council on 21 May 1955

D. 1990

E. Abolished upon the State Statistical Bureau's promulgation on 1 January 1990 of the "Provisions on the Formation of Total Payrolls," which were approved by the State Council on 30 September 1989

A. 50

B. Several Provisions (Draft) on Creating the Post of Chief Accountant in State-Run Industrial and Communications Enterprises

C. Formulated by the State Economic Commission and the Finance Ministry and approved and relayed by the State Council on 18 October 1963

D. 1990

E. Abolished upon the State Council's promulgation on 31 December 1990 of the "Regulations on Chief Accountants"

A. 51

B. Provisions on chief accountants in the "Regulations on Accountants' Functions"

C. Promulgated by the State Council on 12 September 1978

D. 1990

E. Abolished upon the State Council's promulgation on 31 December 1990 of the "Regulations on Chief Accountants"

A. 52

B. Regulations on Fire Prevention and Safe Management of Warehouses

C. Approved by the State Council on 1 August 1980 and promulgated by the Ministry of Public Security on 15 August 1980

D. 1990

E. Abolished upon the promulgation by the Ministry of Public Security of the "Rules for Fire Prevention and Safe Management of Warehouses" on 10 April 1990

A. 53

B. Interim Provisions Concerning Resident Representative Correspondents of Foreign Press Agencies

C. Promulgated by the State Council on 9 March 1981

D. 1990

E. Abolished upon the State Council's promulgation of the "Regulation on the Administration of Foreign Correspondents and Resident Representative Offices of Foreign Press Agencies" on 19 January 1990

A. 54

B. State Standards of Physical Training

C. Promulgated by the State Council on 27 August 1982

D. 1990

E. Abolished upon the promulgation by the State Physical Culture and Sports Commission's No. 10 Decree on 6 January 1990 of the "Procedures for Enforcing the State Standards of Physical Training," which were approved by the State Council on 9 December 1989

A. 55

B. Regulations on the Management of National Defense Measure Work

C. Promulgated by the State Council on 10 September 1984

D. 1990

E. Abolished upon the promulgation by the State Council and the Central Military Commission of the "Regulations on the Supervision and Management of National Defense Measure" on 5 April 1990

A. 56

B. Interim Regulations on Budgets and Final Accounts

C. Promulgated by the Administrative Council on 19 August 1951

D. 1991

E. Abolished upon the State Council's promulgation of the "Regulations on the Management of State Budgets" on 21 October 1991

A. 57

B. Procedures for Reporting Accidents Involving Injury and Death of Workers and Staff

C. Promulgated by the State Council on 25 May 1956

D. 1991

E. Abolished upon the State Council's promulgation of the "Provisions for Reporting and Handling Accidents Involving Injury and Death of Enterprise Workers and Staff" on 22 February 1991

A. 58

B. Rules for the Implementation of the Income Tax Law of the PRC Concerning Sino-Foreign Joint Ventures

C. Approved by the State Council on 10 December 1980 and promulgated by the Ministry of Finance on 14 December 1980

D. 1991

E. Abolished upon the State Council's promulgation of the "Rules for the Implementation of the Income Tax Law of the PRC Concerning Foreign-Funded Enterprises and Foreign Enterprises" on 30 June 1991

A. 59

B. Rules for the Implementation of the Income Tax Law of the PRC Concerning Foreign Enterprises

C. Approved by the State Council on 17 February 1982 and promulgated by the Ministry of Finance on 21 February 1982

D. 1991

E. Abolished upon the State Council's promulgation of the "Rules for the Implementation of the Income Tax Law of the PRC Concerning Foreign-Funded Enterprises and Foreign Enterprises" on 30 June 1991

A. 60

B. Regulations of the PRC Concerning the Quarantine of Exported and Imported Animals and Plants

C. Promulgated by the State Council on 4 June 1982

D. 1991

E. Abolished upon the NPC Standing Committee's adoption and promulgation of the "Law of the PRC Concerning the Quarantine of Animals and Plants Entering and Leaving the Territory" on 30 October 1991

A. 61

B. Regulations on Water and Soil Conservation Work

C. Promulgated by the State Council on 30 June 1982

D. 1991

E. Abolished upon the NPC Standing Committee's adoption and promulgation of the "Law of the PRC Concerning Water and Soil Conservation" on 29 June 1991

A. 62

B. Regulations on Tobacco Monopoly

C. Promulgated by the State Council on 23 September 1983

D. 1991

E. Abolished upon the NPC Standing Committee's adoption and promulgation on 29 June 1991 of the "Law of the People's Republic of China on Tobacco Monopoly"

A. 63

B. Regulations for Trial Enforcement on Implementation of the Peasant Reassignment System in Mining Enterprises

C. Promulgated by the State Council on 30 June 1984

D. 1991

E. Abolished upon the State Council's promulgation on 25 July 1991 of the "Provisions on the Employment of Peasant Contract Workers by Enterprises Owned by the Whole People"

A. 64

B. Interim Provisions on the Employment of Peasant Contract Workers and Rural Construction Teams by State-Run Construction Enterprises

C. Approved by the State Council on 5 October 1984 and promulgated by the Labor and Personnel Ministry on 15 October 1984

D. 1991

E. Abolished upon the State Council's promulgation on 25 July 1991 of the "Provisions on the Employment of Peasant Contract Workers by Enterprises Owned by the Whole People"

A. 65

B. Measures for Trial Enforcement on the Implementation of a Peasant Shift Work System and the Employment of Contract Workers in Stevedoring and Portage Operations by Communications and Railways Departments

C. Approved by the State Council on 19 December 1984 and promulgated by the Labor and Personnel Ministry on 27 December 1984

D. 1991

E. Abolished upon the State Council's promulgation on 25 July 1991 of the "Provisions on the Employment of Peasant Contract Workers by Enterprises Owned by the Whole People"

A. 66

B. Interim Provisions Governing the Registration of Industrial and Commercial Enterprise Names

C. Approved by the State Council on 23 May 1985 and promulgated by the State Administration for Industry and Commerce on 15 June 1985

D. 1991

E. Abolished upon the State Administration for Industry and Commerce's promulgation on 22 July 1991 of the "Provisions Governing the Registration of Enterprise Names," which were approved by the State Council on 6 May 1991

A. 67

B. Interim Provisions on the Patent Agency

C. Approved by the State Council on 4 September 1985 and promulgated by the State Patent Bureau on 12 September 1985

D. 1991

E. Abolished upon the State Council's promulgation on 4 March 1991 of the "Regulations on the Patent Agency"

A. 68

B. Interim Regulations of the People's Republic of China on the Construction Tax

C. Promulgated by the State Council on 25 June 1987

D. 1991

E. Abolished upon the State Council's promulgation on 16 April 1991 of the "Interim Regulations of the People's Republic of China on Regulatory Taxes for Fixed Assets Investment"

A. 69

B. Interim Regulations of the People's Republic of China on Tax Collection and Administration

C. Promulgated by the State Council on 21 April 1986

D. 1992 (one document)

E. Abolished upon the NPC Standing Committee's adoption and promulgation on 4 September 1992 of the "Law of the People's Republic of China on Tax Collection and Administration"

A. 70

B. Measures of the People's Republic of China on Banning the flow of National Currency Across the National Borders in Either Direction

C. Promulgated by the Central People's Government's Government Administration Council on 6 March 1951

D. 1993 (17 documents)

E. Abolished upon the PRC State Council's promulgation per Decree No. 108 on 20 January 1993 of the "Measures of the People's Republic of China on the Administration of the Flow of National Currency Across the National Borders in Either Direction"

A. 71

B. Regulations of the People's Republic of China on Consolidated Industrial and Commercial Taxes (Draft)

C. Approved in principle by the 10th meeting of the NPC Standing Committee on 11 September 1958 and promulgated by the State Council on 13 September 1958

D. Abolished upon the PRC President's promulgation per Decree No. 18 on 29 December 1993 of the "Decision of the National People's Congress Standing Committee on the Interim Regulations on Value-Added, Consumption, and Business Taxes Which Are Applicable to Foreign-Funded Enterprises and Foreign Enterprises"

A. 72

B. Regulations (Draft) of the People's Republic of China on Value-Added Tax

C. Promulgated by the State Council on 18 September 1984

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 134 on 13 December 1993 of the "Provisional Regulations of the People's Republic of China on Value-Added Tax"

A. 73

B. Regulations (Draft) of the People's Republic of China on Product Tax

C. Promulgated by the State Council on 18 September 1984

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 134 on 13 December 1993 of the "Provisional Regulations of the People's Republic of China on Value-Added Tax"

A. 74

B. Regulations (Draft) of the People's Republic of China on Business Tax

C. Promulgated by the State Council on 18 September 1984

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 136 on 13 December 1993 of the "Provisional Regulations of the People's Republic of China on Business Tax"

A. 75

B. Income Tax Regulations (Draft) of the People's Republic of China for State-Run Enterprises

C. Promulgated by the State Council on 18 September 1984

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 137 on 13 December 1993 of the

"Provisional Regulations of the People's Republic of China on Enterprise Income Tax"

A. 76

B. Procedures for Levying Regulatory Taxes on State-Run Enterprises

C. Promulgated by the State Council on 18 September 1984

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 137 on 13 December 1993 of the "Provisional Regulations of the People's Republic of China on Enterprise Income Tax"

A. 77

B. Regulations (Draft) of the People's Republic of China on Resources Tax

C. Promulgated by the State Council on 18 September 1984

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 139 on 25 December 1993 of the "Provisional Regulations of the People's Republic of China on Resources Tax"

A. 78

B. Regulations (Draft) of the People's Republic of China on Salt Tax

C. Promulgated by the State Council on 18 September 1984

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 139 on 25 December 1993 of the "Provisional Regulations of the People's Republic of China on Resources Tax"

A. 79

B. Provisional Income Tax Regulations of the People's Republic of China for Collective Enterprises

C. Promulgated by the State Council on 11 April 1985

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 137 on 13 December 1993 of the "Provisional Regulations of the People's Republic of China on Enterprise Income Tax"

A. 80

B. Provisional Income Tax Regulations of the People's Republic of China for Urban and Rural Individual Industrial and Commercial Businesses

C. Promulgated by the State Council on 7 January 1986

D. 1993

E. Abolished upon the promulgation through PRC Presidential Decree No. 12 on 31 October 1993 of "The Decision of the National People's Congress Standing Committee Concerning Revision of 'The Individual Income Tax Law of the People's Republic of China' "

A. 81

B. Regulations on Registered Accountants of the People's Republic of China

C. Promulgated by the State Council on 3 July 1986

D. 1993

E. Abolished upon the promulgation through PRC Presidential Order No. 13 on 31 October 1993 of "The Registered Accountant Law of the People's Republic of China"

A. 82

B. Interim Unemployment Insurance Provisions for State-Run Enterprises' Staff and Workers

C. Promulgated by the State Council on 12 July 1986

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 110 on 12 April 1993 of the "Unemployment Insurance Provisions for State-Owned Enterprises' Staff and Workers"

A. 83

B. Provisional Regulatory Tax Regulations of the People's Republic of China on Individual Income

C. Promulgated by the State Council on 25 September 1986

D. 1993

E. Abolished upon the promulgation through PRC Presidential Decree No. 12 on 31 October 1993 of "The Decision of the National People's Congress Standing Committee Concerning Revision of 'The Individual Income Tax Law of the People's Republic of China' "

A. 84

B. Provisional Regulations for Administering Enterprise Bonds

C. Promulgated by the State Council on 27 March 1987

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 121 on 2 August 1993 of the "Regulations for Administering Enterprise Bonds"

A. 85

B. Interim Provisions for Handling Labor Disputes in State-Run Enterprises

C. Promulgated by the State Council on 31 July 1987

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 117 on 6 July 1993 of the "Regulations of the People's Republic of China for Handling Enterprise Labor Disputes"

A. 86

B. Provisional Income Tax Regulations of the People's Republic of China for Private Enterprises

C. Promulgated by the State Council on 25 June 1988

D. 1993

E. Abolished upon the promulgation through PRC State Council Decree No. 137 on 13 December 1993 of the "Provisional Regulations of the People's Republic of China on Enterprise Income Tax"

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Military

Defense Minister Comments on Military Service Law

OW3105144394 Beijing XINHUA Domestic Service
in Chinese 1306 GMT 30 May 94

[By reporters Ma Xiaochun (7456 2556 2504) and Jia Yong (6328 3057)]

[Text] Beijing, 30 May (XINHUA)—During an interview with XINHUA on the eve of the 10th anniversary of the promulgation of the "PRC Military Service Law," State Councillor and Defense Minister Chi Haotian stressed that implementing the military service law and building stronger defense and armed forces have a close bearing on the state's economic development and long-term peace and stability, and so it is a mission to be accomplished by all party members and people of all nationalities in the country jointly.

China's current military service law was adopted by the Second Session of the Sixth National People's Congress on 31 May 1984. The law replaced compulsory military service, prescribed in China's first military service law drawn up in the mid-1950's, with a military service system which merges compulsory and voluntary service and merges militia and reserve forces, with compulsory service remaining the mainstay.

Chi Haotian reviewed the successes which party committees, people's governments, enterprises, institutions, and social quarters have achieved during the last decade in implementing the military service law; in accomplishing assignments relevant to military service, militia, and reserve services; in taking special care of disabled servicemen and family members of martyrs and servicemen; and in building stronger national defense and armed forces under the leadership of the CPC Central Committee, the State Council, and the Central Military Commission. Chi Haotian said: The period from now to the end of this century is crucial for the development of China's socialist cause. While continuing to implement the military service law, uphold the party's basic line without the least wavering, and concentrate our efforts on expediting our economic development under the new situation, we must continue to build stronger national defense and armed forces and make constant efforts to strengthen our defense to powerfully guarantee security for reform, opening up, and economic development.

Specifying what needs to be done in implementing the military service law, Chi Haotian stressed: To implement the military service law, we must exert great efforts in

fostering patriotism and selfless dedication so as to create an environment in which the whole nation will care for and support national defense. He pointed out: Following the founding of New China, patriotism—which is one traditional ethic of the Chinese nation—was further manifested. Models such as Lei Feng, Wang Jie, Su Ning, and Xu Honggang have come to the fore in the people's armed forces; and many progressive personnel—such as Rong Guanxiu and Zhao Chenni, who are known as the mothers of people's soldiers; and Zhuang Yinfang and Shao Linyuan, models of supporting the military—have also emerged from among the people. The solidarity between the armed forces, the government, and the people has become even stronger, and many units have distinguished themselves in rendering mutual support and in embarking in material and spiritual construction. Their exemplary deeds have fully demonstrated the patriotic spirit and selfless dedication of Chinese people of all nationalities. Chi Haotian pointed out: This spirit and dedication are specifically the spiritual support with which our country and people survived despite repeated catastrophes and aggressions, and they are the powerful force motivating us, the Chinese people, to press forward to build a prosperous country. Now, under the new situation, we cannot build a strong ideological foundation for implementing the military service law or build stronger defense and armed forces unless we make great efforts to promote patriotism and the spirit of selfless dedication.

Chi Haotian pointed out: To implement the military service law, we must strive to study and use Comrade Deng Xiaoping's thinking about building a legal system and demonstrate the role of the military service law in safeguarding the construction of our defense and armed forces. Deng Xiaoping's thinking about building a legal system with Chinese characteristics is the theoretical foundation for formulating the military service law, and it is also the guide for implementing the military service law. Thus, we must integrate the study of Comrade Deng Xiaoping's thinking about building a legal system with the study of the military service law, extensively educate the people on the military service law, and propagate knowledge about the military service law until each and every citizen understands its basic points and understands that a stronger defense and stronger armed forces are an important part of building socialism with Chinese characteristics, and that fulfilling military service and being concerned with and supporting national defense exemplify patriotism and selfless dedication.

In conclusion, Chi Haotian said: As always, party committees, people's governments, enterprises, institutions, and people in all social sectors must be concerned with defense, support defense, promote defense education with perseverance, strive to make the whole nation more defense-conscious, and strive to make a success of affairs relevant to military service and the militia and in taking special care of disabled servicemen as well as families of martyrs and servicemen. The vast number of young people should have a correct concept of life and values, consider it their responsibility to safeguard the motherland, voluntarily fulfil their military service, and dedicate themselves to

defense. All officers and men of the People's Liberation Army and armed police forces should keep firmly in mind that their objective is to serve the people wholeheartedly. In accordance with the Central Military Commission Chairman Jiang Zemin's general requirement that the PLA must "be politically qualified and militarily toughened, have a good work style, observe strict discipline, and be strong in defending the country," we must intensify our efforts in building the PLA into modern, regular, and revolutionary armed forces which actively support the country's economic construction and powerfully ensure the security needed for reform, opening up, and economic development. The vast number of militiamen and reservists must take the lead in participating in socialist spiritual and material construction as prescribed in the military service law. They should become the new force to become affluent through hard work, the sentinel safeguarding public security, and the powerful reserve forces backing the people's armed forces.

Economic & Agricultural

Li Tieying Tours Beijing Enterprises

OW3105042794 Beijing XINHUA Domestic Service
in Chinese 1351 GMT 27 May 94

[By XINHUA reporter Yang Qing (2799 7230)]

[Text] Beijing, 27 May (XINHUA)—Only by implementing supplementary reforms and rationalizing all sorts of enterprise relations in line with the goal of establishing a modern enterprise system will we be able to achieve greater success in carrying out comprehensive supplementary reforms. Li Tieying, state councillor and minister in charge of the State Economic Restructuring Commission, today pointed out when he conducted an investigative tour of enterprises affiliated to the No. 1 Light Industry Corporation in Beijing.

Accompanied by Beijing Mayor Li Qiyang, Li Tieying today made an investigative tour of the Beijing Optical Glass Mart, the Hongyun Company, Ltd; the Beijing Matches Company, Ltd; and the Beijing Daily Use Chemical Plant No. 2. After hearing briefings on the four enterprises' experience in implementing supplementary reforms, Li Tieying affirmed the progress that the No. 1 Light Industry Corporation has lately scored in trying out supplementary reforms. He pointed out that one of the major feature of the corporation's experiment is its efforts to implement supplementary reforms, rationalize all sorts of internal relations within the corporation, and transform its operational mechanism for the purpose of establishing a modern enterprise system in line with guidelines of the third plenary session and the requirements of the "Company Law."

Li Tieying said that the goal of the experiment with the modern enterprise system is to explore effective ways to merge the public sector of the economy—the state sector in particular—with the market economy. He pointed out that a socialist market economy is an economy based on management by law. Enterprises must formulate new

chapters in accordance with the modern enterprise system, strictly abide by these chapters, and use them to regulate enterprise activity and relations so that enterprise management is truly separated from government administration and ownership from management.

Officials of relevant departments including Liu Zhifeng and Li Runwu took part in the investigative tour.

Song Ping at Engineering Consulting Meeting

OW3105081594 Beijing XINHUA Domestic Service
in Chinese 0756 GMT 30 May 94

[Reporter Li Anding (2621 1344 1353)]

[Text] Beijing, 30 May (XINHUA)—The state will certify the qualifications of engineering consulting units in China, according to the second plenary council meeting of the Chinese Engineering Consultation Association currently being held in Beijing. Song Ping and Yao Zhenyan attended the meeting.

Engineering consultation is a newly emerging industry in the course of reform and opening up. Through rapid development of more than a decade, an independent industry with some 3,000 engineering consulting units of various kinds has taken shape in China. To standardize the management of the new industry and to provide better engineering consultation to economic construction and the total process of engineering projects from policy-making to management, the State Planning Commission recently promulgated the "Interim Procedures for Managing the Engineering Consulting Industry" and the "Interim Procedures for Certifying Engineering Consulting Units." These two sets of procedures prescribe the system for certifying qualifications of engineering consulting units and their compensatory service, as well as the principles for conducting engineering consultation abroad. The Chinese Engineering Consultation Association will certify various Chinese engineering consulting units in stages and by groups, classifying them into grades A, B, and C and issuing certificates according to their qualifications.

It is understood that with the approval of the State Council's relevant department, the Chinese Engineering Consultation Association will join the International Federation of Consultative Engineering as a national organization of the Chinese engineering consulting industry. The membership will serve as an important channel for China's engineering consulting industry to converge with international standards and to develop foreign exchange and cooperation with other members.

Chen Jinhua Addresses Conference on Price Inspection

OW3105154294 Beijing XINHUA in English 1438
GMT 31 May 94

[Text] Beijing, May 31 (XINHUA)—China has slowed down its price hikes as various macro control and price readjustment measures have been taken, a senior Chinese official announced today.

Addressing a national conference on nationwide price inspection, Chen Jinhua, head of the state price inspection leading group and minister in charge of the State Planning Commission, said that China has taken a series of measures to intensify macro control and control inflation so as to safeguard social stability.

In line with the state decision, he said, some provinces have established grain risk foundations. Meanwhile, price tags are placed on all commodities sold in state- and collective-owned retail stores and some private and individual stalls.

According to official sources, 190,000 cases involving 400 million yuan in illegal profits have been uncovered during the two months after March 10. Over 100,000 of these cases have been dealt with according to law with a total penalty of 88 million yuan.

To further bring the prices under control, Chen urged the local officials to focus the national price inspection on the daily necessities and production materials such as grain, cotton, chemical fertilizer, steel and electricity for agricultural use as well as service charges.

Minister Sees Progress in Controlling Inflation

HK3105145694 Beijing ZHONGGUO XINWEN
SHE in English 1329 GMT 31 May 94

[Text] Beijing, May 31 (CNS)—Minister of the State Planning Commission of China and also head of the group of the national price inspection, Mr. Chen Jinhua, made a speech at a national meeting on the price inspection opened today, saying that the drastic price rise in China had slowed down with the implementation of various kinds of macro-control and price control measures as well as launching of the price inspection in the whole country. [sentence as received]

Mr. Chen said that, through efforts in the past few months, authorities at various levels in China had increased their consciousness to control and administer prices under the condition of market-based economy, and both production and trade enterprises had now realized that they should accept price control conducted by the state and should not do whatever they wanted. The price situation had begun to change.

Mr. Chen said that achievement made in the course of price inspection was great, however, it should not be overestimated.

He analyzed that the reform and opening to the outside world had kept its momentum since this year. Various kinds of reform measures in fiscal and tax, financial, foreign trade and foreign currency as well as investment system had been functioning smoothly after they were put into practice, some functioned even better than expected. The national economy was gradually moving in the direction demanded by macro-control. However, there still existed some unfavorable factors in agricultural production at present, and inflation still maintained a high level. Therefore, to stabilize prices and to curb inflation remained a key task of macro-control.

Mr. Chen called for strengthening control in price rise of daily necessities and basic services which would seriously affect people's life and had aroused strong reaction from the society. They included grain, cotton, chemical fertilizer, rural electric power supply, steel products and process oil.

Tian Jiyun Asks Shanxi To Stabilize Agriculture

OW3105091594 Beijing XINHUA in English 0903
GMT 31 May 94

[Text] Taiyuan, May 31 (XINHUA)—Tian Jiyun, vice-chairman of the National People's Congress (NPC) Standing Committee, said that Shanxi should make great efforts to stabilize its agricultural production and promote township enterprises and coal mining.

He made the remark in his May 28-31 tour of the province, which is one of China's most important energy bases, producing most of the country's coal.

Tian, also a member of the Political Bureau of the Central Committee of the Communist Party of China, pointed out that Shanxi should put the same emphasis on stabilizing both coal mining and agricultural production.

The province has placed agriculture, infrastructure and basic industry as the key sectors for future development. Plans have been drawn up to develop coal mining, electricity, transportation, water conservancy and road construction.

A new airport and railway station are under construction in this provincial capital.

Tian also inspected Dazhai Village in Xiyang County, which used to be a national model for farming. Great changes have taken place in this village in recent years, as the villagers have set up a series of factories.

Nationwide Price Monitoring Set To Continue

HK0106031394 Beijing CHINA DAILY in English
1 Jun 94 p 1

[By Sun Shangwu: "State Urges Stepping Up of Price Monitoring"]

[Text] The government intends to continue nationwide price monitoring to ensure stable living costs, a top economic official said yesterday.

Officials once more will target key commodities which have greater impact on the price level, and are closely related to people's daily lives.

Prices of daily necessities such as grain and cotton will receive top priority, State Planning Minister Chen Jinhua told the three-day national working conference on price inspection in Beijing.

The inspection will also cover such key items as chemical fertilizer, power supplies for rural users, steel, petroleum products and service charges.

Chen said that while the country takes measures to scale down investing in fixed assets and issuing currency, it should simultaneously implement policies designed to encourage grain and cotton harvests.

Meanwhile, reform of modern enterprises should be pursued to increase commodity supplies.

"These steps will help to create a favourable condition for curbing inflation," the minister said.

He also urged officials to speed up price legislation and draft price laws and other regulations to ban illegal monopolies, profiteering and cheating on commodity prices.

Chen urged that the last two months progress in nationwide price monitoring be consolidated.

Price inspectors have, during the two months from March 10 to May 10, uncovered more than 190,000 cases of price violations, involving some 400 million yuan (\$46 million) in illegal price charges.

The meeting was told that 100,000 of these cases have been handled by fining violators 88 million yuan (\$10 million).

"The inspection drive helped the local government leaders as well as producers and retailers to realize that prices can not be raised arbitrarily," Chen told the meeting.

Monitoring also helped implement State price control rules, including a grain risk fund at both central and provincial levels, and requiring all shops to put price tags on all commodities.

According to a recent People's Daily report, Shanghai has, since last year, set aside 400 million yuan (\$46 million) as cash reserves for storing such daily necessities as grain and edible oil. The action has effectively curbed the market prices of these basics in the city.

However, Chen warned that some local officials have not paid enough attention to price inspection and made little progress in curbing inflation in their area.

"In some places, greater effort is needed to deal with illegal price increases," the minister said.

The minister anticipated improvements, however, following an announcement that those who hinder price inspectors face severe punishment.

Unnamed Official Proposes Price Control Measures

HK0106054994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0701 GMT 28 May 94

[Text] Beijing, 28 May (ZHONGGUO TONGXUN SHE)—In order to strengthen control over market prices and to basically maintain stable market prices, recently, a person with the State Planning Commission's Department of Market Prices proposed five measures:

First, regarding commodities such as oil and grain which can affect the national economy and the people's livelihood, state control over their prices cannot be lifted and a set of regulatory and control measures should be drafted to maintain a balance between total supply and total demand to ensure stable prices.

Second, make efforts to grasp the "shopping basket" project. In the last two years, many localities have canceled subsidies for meat and vegetables. Earnest measures should be taken to establish protection zones for "shopping basket" projects in large and medium cities.

Third, comprehensively employ administrative, economic, and legal means, which should include setting price ceilings, setting minimum prices as protection, reporting price increases for the record, issuing permits for the collection of fees, controlling differences in rates, and establishing a market prices regulatory fund; building a wholesale market and futures market; clearing ways for the peasants to go to the cities to sell their produce directly; changing the system of how prices are notified; and strengthening price inspections to ensure a normal price order.

Fourth, promote enterprise reform and increase their ability to adapt to price reform. The adjustment of basic product prices has put great pressure on enterprises engaging in the chemical industry, light industry, and the textile industry, and these enterprises should improve their absorbing ability through reform.

Fifth, expedite price-related legislation, oppose excessive competition, refrain from transferring the powers of the pricing department, and maintain the stability of pricing institutions and contingents.

Changing Role of State Planning Commission Viewed

HK3005051994 Beijing CHINA DAILY in English 30 May 94 p 4

[Article from the "Opinion" page by Fu Jian: "Planning Takes Different Path"]

[Text] The connotation of the word "planning" is changing its traditional meaning for Chinese economists.

The largest planning body, the State Planning Commission, actually redefined the role of planning and investment when it recently announced more reform measures.

"All that the market can manage should be left to be managed by the market," said Gui Shiyong, vice-minister of the commission.

Planning departments should restrict their activities to those that the market cannot do or has failed to do well, he added.

Between 1949 and 1992, the government favoured a centrally planned economy. Planners' tasks were gargantuan, controlling virtually every aspect of national life.

But this has made decentralization of planning and investment a task of similar magnitude.

Thankfully, the efforts have been successful, Vice-Minister Gui said.

After almost 15 years of reform, local governments and enterprises have more decision-making power and possess more self-supplied funds, financial revenue? foreign exchange, as well as rights for investment.

Directive plans on agricultural production were cancelled in 1985. As for industrial production, goods fulfilling directive plans make up only 4.5 percent of total industrial output. Concerning retail sales, only 5 percent of goods in shops are tagged with imposed directive prices.

With less directives to keep them busy, planning groups have shifted their function to broad oversight of the economy. That means less administration but more economic policies and legislative methods.

However, the existing planning and investment system still fails to meet market requirements, said Gui.

Outlining the necessary scope, he highlighted the function of planning, the content of plans and new methods of implementing reform. There is a lack of co-ordination among various regulatory means such as taxes, pricing, interest and exchange rates, he said.

The public seldom participates in formulating plans, and planning law is rather weak. Administrative interference still hampers the decision-making process of enterprises. What's more, self-restraint has not been established in the investment system, said Gui.

Since State subsidies remain in many enterprises and projects to keep their operation alive, their individual investors are not actually responsible for them.

The main spur to decentralize came at the 14th National Congress of the Communist Party of China in October 1992 when the socialist market economy was conceived. That meant giving the market the natural power, while downgrading central planning to a regulatory and aid role.

The State Planning Commission's latest reform aims to replace most administrative controls with economic regulations.

For the few cases in which administrative methods and mandatory planning are actually needed, the methods should be improved in accordance with the requirements of the market economy.

Local authorities need to be fully involved in the planning on the premise of guaranteeing the unity and authority of the central government, said Gui.

Powers such as issuing currency, determining bench-mark interest rates, regulating exchange rates and adjusting major tax categories and tax rates should all be controlled by the central government.

Economic affairs like local economic development and market activities can be organized by local authorities.

Public participation in designing and implementing plans should be strengthened. This would be more open, scientific and effective, he said.

The commission has already worked out more reform measures for the investment system.

A new system will strengthen responsibility of enterprises as well as banks, according to Gui.

When a project is constructed, certain enterprises must be identified as being responsible for it—from drafting the process, raising funds, constructing or producing to repay bank loans and bonds, as well as monitoring the appreciation of the asset's value.

A similar responsibility system should also be established in banks.

For project approval, a registration system will gradually replace administrative examination and approval.

Competitive projects with high profit returns and sensitivity to market factors will be left to enterprises themselves, with both decision-making power and risk responsibility given to the management.

Enterprises will mainly raise funds from commercial banks, and the government will gradually withdraw their investments in these projects.

The government will prioritize infrastructure projects and foundation industries as well as public welfare, science, education, culture and public health.

Control on the total amount and structure of investment should be strengthened, Gui said.

The State Development Bank, one of major regulatory means, was established recently to play a positive role in directing and adjusting investment. This can be accomplished through its policy loans, together with other measures such as taxes, interest rates and prices.

A market system which involves advisory, design, construction, auditing, and supervision of projects needs to provide assistance for enterprises. Meanwhile, relative laws and regulations should be made to ensure orderly investment activities.

Key Measures Adopted To Enforce Bankruptcy Law

HK3005031794 Hong Kong LIEN HO PAO in Chinese 28 May 94 p 1

[“Special report” by staff reporter Li Chun (2621 2504)]

[Text] According to a mainland official, five state-owned enterprises in Tianjing and Chongqing have been selected as experimental units for enforcing the bankruptcy law this year; that will be a most decisive step in the reform of

state-owned enterprises this year as well as the key measure which Vice Premier Zhu Rongji is bent on taking to push the reform efforts.

Reform of state-owned enterprises is regarded as the key and bottleneck in wide-ranging reform because of their economic importance, and the close link to ideology. It will not be easy to push this reform, and it will even more difficult to realize it.

Faced with the various knotty issues in reform of state-owned enterprises, Vice Premier Zhu Rongji went down south to Chongqing, a strategic industrial city, and personally made investigation and arrangements during the spring festival this year. He is bent on taking another bold step in Chongqing by selecting some large and medium-sized state-owned enterprises as experimental units for enforcing the bankruptcy law.

The state-owned enterprises selected are those with poor management for a long time, with unmarketable products, with assets failing to cover debts, and unable to be reorganized or transformed through other channels. Chongqing selected a paper mill as the first step. Should it be successful, another two enterprises will be selected for further experiment.

There is no obstacle to allowing those state-owned enterprises that can in no way continue operation to go bankrupt either in concept or legal principle, but it can be extremely difficult in implementation. Two years ago, Chongqing was the first on the mainland to allow a state-owned enterprise to go bankrupt. The bankrupt knitwear factory did not have many workers, but their problems have not been properly resolved as of today; the city government has taken up the burden itself.

According to the enterprise institutional reform plan set last year, state-owned enterprises with a total loss of 100 million yuan per day should undergo comprehensive reform. While formulating a plan, experts and scholars offered many panaceas; however, taking ideology into consideration, the plan was ironed out and the final plan became smooth and slick. At that time, Zhu Rongji who was responsible for formulating the plan had to admit that that was the best they could do.

The key to the reform of state-owned enterprises is the flow and reorganization of property rights, so that enterprises may genuinely operate on their own and assume sole responsibilities for their profits and losses, while the government retreats from enterprise involvement.

It is very difficult to break the old framework of the existing structure to shape a new property ownership structure. It would take a long time to see the successes of 100 large and medium-sized enterprises selected as experimental units. Thus, Zhu Rongji decided to take a risk and boldly allow a number of state-owned enterprises to go bankrupt. Bankruptcy will shape into a terrorizing power and pressure enterprise circles, while promoting their renovation; on the other side of the coin, bankruptcy and reorganization will not involve the "deterioration" or

"converting public into private ownership" of socialist enterprises, thus avoiding criticism from the orthodox school.

Favorable external conditions in pushing enterprise bankruptcy lies in, first, the non-government and state-owned economies have already been separated, and risks to state-owned enterprises in boldly conducting reform have been greatly reduced; second, the concept of the market economy has taken root in people's minds, with changes in employment concepts and matured external conditions able to absorb and digest bankrupt enterprises; and third, there seems to be no obstacles to the implementation of the bankruptcy law today.

The greatest risk of the bankruptcy of state-owned enterprises seems to be arrangements for workers. A complete and perfect social security system is absent in China mainland today. Should past government intervention be stopped in the absence of better ways, big problems would be ahead. That accounts for the principle of experimenting first before spreading the practice.

Surplus Labor Absorbed by Diversifying Business

HK2805061994 Beijing CHINA DAILY in English
28 May 94 p 3

[By Xie Yicheng: "Railways Diversify To Absorb Extra Labour"]

[Text] Railway authorities have successfully absorbed surplus labourers by diversifying their business dealings.

Since 1986, nearly 220,000 workers—6.5 per cent of all staff—laid off as a result of the Railway Ministry's recent efficiency drive have been moved to new services such as tourism and catering.

Minister Han Zhubin termed the multi-industry wave as "an effective way" to improve the sector's efficiency and digest surplus workers from its 3.4 million employees.

"Unwieldy labour forces and low labour productivity leaves us far behind the world's advanced level", he said on Thursday, vowing to divert 600,000 more workers from rail transport by the turn of the century.

The ministry's diversification has created 330,000 jobs in travel agencies, commerce and trade, tourism, catering, advertising, construction and mining.

But the minister reiterated the ban on businesses run by any railway security, procurators, judicial bodies or railway functional department.

"This is to prevent power abuse, and let grass-roots rail departments focus energy on shipping and safety," he explained.

The minister also warned against illegal trade of freight cargo or train tickets under the disguise of diversified business. This has hurt the railways image over the past two years.

"We are tightening check-up and supervision over those engaged in transport agencies. Both their service items and charges must be rational and legal," he stressed.

A special agency has been set up to promote and oversee the sector's diversified operation.

"We want a fast development of diversified operation, but it shall be on a healthy and legal track," the minister said.

Commentary Stresses Enterprises' Market Adaptability

OW2905044494 Beijing XINHUA Domestic Service
in Chinese 2113 GMT 26 May 94

["Weekend Economic Commentary" by XINHUA reporter Zhang Jinsheng (1728 6930 0524): "Enterprises Should Do All They Can To Overcome 'Inability To Adapt To Markets'"]

[Text] Beijing, 27 May (XINHUA)—Along with the gradual establishment of a socialist market economic structure, the change from the old to the new system, while bringing along new development opportunities to Chinese enterprises at large, has also posed a new challenge to them, that is, how can they adapt themselves to the turbulent "ocean" of market economy?

Economists hold that while enterprises in the mid-1980's suffered from low economic efficiency largely as a result of the "lingering effects" of the planned economy, their "inability to adapt to markets" today has obviously intensified and become the major contradiction hampering the economic efficiency of enterprises in the process of shifting from a product to market economy.

The results of surveys can fully explain the problem. During the past two years, along with the progress in the economic structural reform in all fields and the implementation of the "regulations [on changing the operating mechanisms of enterprises]," and along with the strengthening of the regulatory role of markets, the primary factors affecting enterprises' economic efficiency have undergone conspicuous changes. According to a survey of 50 deficit-ridden enterprises in Beijing, Shenyang, and Tianjin in 1991, the policy, macro-economic, and enterprise operational factors accounted for 19.4, 47.8, and 32.8 percent, respectively, of the causes for the losses. However, another survey, conducted two years later in 1993, of 2,586 enterprises operating in the red in eight provinces and municipalities—including Shanghai, Shandong, and Jilin—showed that the causes for losses by the policy and macroeconomic factors both dropped to around 9 percent, while the factor of enterprise operations rose to 81.7 percent as the cause.

The differences in the survey results explain that in raising economic efficiency, enterprises should give top priority to focusing attention on internal operation. As we know, the continuous deepening of reform has resulted in the gradually rationalized relations between the state and enterprises and has greatly improved the external environment for enterprise production and operation. To further

improve economic efficiency, it is necessary for enterprises to focus reforms of the managerial system and operating mechanisms on rationalizing the relations between enterprises and their workers and among various internal departments, reinforcing the incentive mechanisms and improving the supervisory mechanisms of enterprises so as to adapt themselves to new market situations with new systems.

This year is crucial for an all-out effort at reform. Along with the implementation of numerous measures for establishing a market economy, enterprises may experience greater "inability to adapt to markets." The State Statistical Bureau, in analyzing this year's enterprise economic efficiency trend, has noted the coexistence of factors for both promoting and hampering enterprises' economic efficiency while efforts are made to advance comprehensive reform and to achieve breakthroughs in key areas this year. Judging from the unfavorable factor, as speed will remain the major factor affecting the economic efficiency trend, decrease in the economic growth will, to a certain degree, lead to a drop in economic efficiency. Judging from favorable factors, the strengthening of the intensity of reform in state enterprises, the accelerating of the banking reforms, and other reform measures will contribute to the overall improvement of enterprises' economic efficiency.

Enterprises' "inability to adapt to markets" is a normal phenomenon in economic reform. An enterprise which can seize the opportunity to promptly overcome the "inability to adapt to markets" will take the lead in the market and raise the economic efficiency to a new height. Conversely, one which continues to suffer from the lingering effects will be eliminated. This explains the coexistence of opportunities and challenges for Chinese enterprises in the new era.

Capital Goods Prices Stabilize in First Quarter

HK3005073094 Hong Kong ZHONGGUO
TONGXUN SHE in Chinese 0959 GMT 27 May
94

[Text] Beijing, 27 May (ZHONGGUO TONGXUN SHE)—This year, the Beijing authorities have adopted a series of macroeconomic regulation and control measures to inhibit inflation, and initial results have been scored as prices of all categories of capital goods have dropped across the board in the first quarter.

Information released by mainland China's Ministry of Internal Trade and Material Supply Information Center shows that the aggregate average price increase of all categories of capital goods in the first quarter of this year was 8.2 percent, a decrease of 30 percentage points in the rate of inflation compared with the 38.2 percent recorded in the same period last year. Prices continued to drop in April, and the inflation rate has decreased from 15.8 percent in January this year to 0.4 percent now.

In January, prices of steel products used as building materials soared by a wide margin, since all sectors of the community were optimistic about the economic development trend, and the state on its part moderately increased

the money supply and implemented some reformatory measures. Price hikes were later stopped and are tending toward stability, showing a slight drop as a result of the policy of macroeconomic regulation and control practiced by the state. From information released by the Material Supply Information Center, the average price of steel products stood at 3,580 yuan per metric ton across the country in March, a further decrease of 0.6 percent in addition to the 0.5 percent decrease recorded in February. As compared with the price level in the same period last year, the general price level of steel products decreased by 4.5 percent, with small section steel prices decreasing, in particular, by as much as 11.8 percent. The average price for a car is 173,000 yuan, a decrease of nearly 10,000 yuan compared with the highest price recorded earlier this year. Meanwhile, building materials prices keep decreasing, with the nationwide average price for cement standing at 369 yuan per metric ton in March, a decrease of 5.4 percent compared with the price earlier this year. The price of coal remains relative stable.

Experts predict that since the general price level of major capital goods, such as steel products, timber, and cement, remains basically stable, prices of all categories of capital goods will remain stable as well, probably showing a slight drop in the second quarter.

Inspection of Enforcement of Statistics Law Begins

OW2705140994 Beijing XINHUA Domestic Service in Chinese 0947 GMT 26 May 94

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 26 May (XINHUA)—A 60-day nationwide general inspection of the implementation of the Statistics Law began today. Zhang Sai, director of the State Statistical Bureau and head of the leading group for nationwide general inspection of the enforcement of the Statistics Law, explained: The inspection will focus on the industrial output value that has created relatively serious problems and attracted comparatively adverse reaction from various social circles, particularly statistical data on village and town enterprises output value, population, grain output and reserves, peasants' per-capita income, investment in infrastructural construction projects, and commodities price indices.

It is learned that with the State Council leaders' approval, the leading group for nationwide general inspection, which has been formed by relevant comrades in charge of the State Statistical Bureau, the Ministry of Supervision, and the State Council's Bureau of Legislative Affairs, has made comprehensive arrangements in this regard. Targets of the general inspection will include all investigative units which have been involved in organizing previous statistical surveys, as well as all units which have been obligated to provide statistical data and which have been surveyed previously. The general inspection mainly aims at inspecting and handling wrongdoings of recent years, particularly those which occurred since the beginning of 1993. They include the following: To attain certain political glory

and economic benefits while discarding the state statistical laws and regulations, some individuals or small groups misstated, concealed, fabricated, or illegitimately changed their data when filling statistical reports; forced or instructed statistical organizations and personnel to falsify statistical data reports; retaliated against personnel who boldly upheld principles by reporting and exposing illegal statistical activities; and obstructed the investigation and handling of illegal statistical cases.

The leading group for nationwide general inspection urged: While carrying out the inspection, various localities and departments should earnestly and properly conduct self-examination. All investigative units and units which have been surveyed previously should self-consciously check existing problems that may have arisen when they enforced statistical laws and regulations within their own units. They should thoroughly mobilize the masses to report and expose illegal statistical activities within their own units, and produce, after conducting self-examination, reports that aim at seeking truth from facts. Meanwhile, to prevent self-examinations from being performed as a mere formality, we should thoroughly and properly conduct major random checks. Counties and cities must organize effective investigative teams and specify units for random checks based on a ratio of one to every 10 units.

The leading group for nationwide general inspection stressed: We should earnestly and properly handle various cases. We should uphold the general inspection's basic principle that we must handle all complaints; we must investigate all cases; we must penalize all violations of laws; we will be lenient in meting out penalty if violations are revealed through self-examination reports; we will mete out harsh penalty if violations are exposed by investigative teams; we will seek truth from facts; and we will investigate and handle cases according to law. We must strictly handle, according to law, major and important cases that are exposed by investigative teams during the general inspection, particularly, those units, including their personnel who are directly involved, that have engaged in illegal statistical activities which are serious and have a relatively grave impact.

State To Allocate Additional Funds to Guangdong Firms

HK3105115594 Hong Kong TA KUNG PAO in Chinese 30 May 94 p 7

["Special dispatch": "Enterprises in Guangdong Lack 10 Billion Yuan, and the Central Authorities Plan To Pump an Additional Four Billion Yuan Into Them To Help Meet Urgent Needs"]

[Text] Guangzhou, 29 May (TA KUNG PAO)—Huang Ting, deputy director of the Guangdong Provincial Commission for Economic Restructuring, has maintained that Guangdong is in an unprecedentedly difficult situation with regard to reform in 1994.

In a public lecture several days ago, Huang Ting said that the burdens on Guangdong's enterprises have not been

lightened very much. Financial reform is not keeping pace with the needs of development, funds are lacking, and it is difficult to proceed with the development of the capital market. At present, Guangdong has to strictly implement the central authorities' macroeconomic policy by controlling currency issuance. On the other hand, however, enterprises are suffering an acute shortage of circulating funds which is estimated to total 10 billion yuan or more. This problem becomes much more serious when we consider that many enterprises in Guangdong have to pool their own funds, are running deficits, or cannot obtain loans. Moreover, since the new tax system was put into practice, some rights concerning tax revenue have been centralized, and some enterprises no longer enjoy such previous preferential policies as the delegation of rights to local authorities and tax reductions. Their losses have therefore increased from 20 percent to 43 percent, and their profits have decreased by 37.8 percent. According to a recent survey conducted by the provincial government, there are still more than four million people throughout the province who do not have enough food and clothing. Guangdong is facing a difficult challenge this year.

Huang Ting briefed his audience on the new measures Guangdong plans to adopt this year. In the area of monetary reform, the main focus will be on developing local financial institutions and vigorously preparing the establishment of overseas Chinese banks. The relevant report has already been submitted to the central authorities. Moreover, foreign financial institutions will be encouraged to enter Guangdong, and the entry of foreign insurance firms is even being considered. Enterprises with the necessary conditions are encouraged to issue B shares abroad. Moreover, every effort will be made to guarantee circulating funds for enterprises that have a ready market, produce good returns, and have good prospects. Huang Ting revealed that the central authorities have already fully considered Guangdong's special conditions and are prepared to pump an additional 4 billion yuan or more into Guangdong. Therefore, beginning with the second quarter of this year, the circulating funds shortage facing Guangdong's enterprises will probably be alleviated.

On the subject of the fiscal system, Huang Ting maintained that, although Guangdong will have to come up with an additional 20 billion yuan or more according to the new fiscal system, this will be conducive to the healthy development of enterprises in the long term. Moreover, the province continues to allow cities and counties to be responsible for their own finances, and enterprises' responsibility contracts can be extended for two years to help them get through this transitional period. Huang Ting said that this year Guangdong will not introduce new pricing measures to curb inflation. As for reform of the property rights system, attention will be paid to avoiding the indiscriminate transfer of share rights to foreign businesses.

Official Discusses 'Checking Unhealthy Tendencies'

OW3005172294 Beijing XINHUA Domestic Service
in Chinese 1216 GMT 27 May 94

[By reporter Luo Kangxiong (5012 1660 7160)]

[Text] Shanghai, 27 May (XINHUA)—The State Council Office for Checking Unhealthy Tendencies in Business Activities held a discussion meeting of some provinces and municipalities on the work of checking unhealthy tendencies from 24 to 27 May in Shanghai. Xu Qing, deputy secretary of the Central Commission for Discipline Inspection and director of the State Council Office for Checking Unhealthy Tendencies in Business Activities, emphatically pointed out at the meeting: The work of checking unhealthy tendencies this year is a continuation and deepening of last year's work. Our tasks are heavier and even more difficult. If we fail to exert efforts to do solid work, we will make the mistake of only going through the motions. Leading cadres at all levels must clearly understand the situation of the work of checking unhealthy tendencies this year, resolutely overcome slack and tired dispositions, concentrate on major objectives, seriously "rectify three irregularities and stop some unhealthy tendencies," and make more interim achievements in this year's work of checking unhealthy tendencies.

Xu Qing emphatically pointed out: To sum up, the major tasks of this year's work of checking unhealthy tendencies are to "rectify three irregularities and stop some unhealthy tendencies." Namely, we should rectify any wanton collection of fees, any overseas sightseeing travel in disguised form at government expense, and the abuse of power by party and government organizations and their personnel to obtain money and goods from enterprises, and we should vehemently stop conspicuous unhealthy tendencies in various departments and trades. He elaborated more specifically: In rectifying wanton collection of fees this year, we should see to it that all officially abolished fees are no longer collected, especially at the grass-roots units. We should particularly pay attention to preventing people from collecting abolished fees under new names. In rectifying overseas sightseeing travel in disguised form at government expense, we should apply more effort to stopping irregularities and strictly enforcing discipline. At the same time, we should get at the root of the problem and strictly examine travel applications. If the problem happens in a department due to failure in strictly examining travel applications, the department head shall be to blame. In rectifying the abuse of power by party and government organizations and their personnel to obtain money and goods from enterprises, the leading cadres of party and government organizations should attach importance to the work, know the situation of their organizations, adopt a clear and definite policy, and be determined to deal with the problem. They must sternly deal with any problems discovered and seriously prevent problems from recurring in the future. To vehemently stop conspicuous unhealthy tendencies in various departments and trades is an important part of the work of checking unhealthy tendencies this year. All localities should set concrete goals in correcting major unhealthy tendencies in various departments, and organize more personnel to deal with the problem so as to achieve breakthroughs.

Xu Qing said: In order to accomplish this year's work of checking unhealthy tendencies, ordinary measures and methods are hardly effective. We must adopt new, tough

measures. We must do solid and more effective work to attain our objectives so that we have desired results to report to the Central Committee and to the people. He said: While applying our main efforts to checking unhealthy tendencies and enforcing discipline, we should pay attention to exploring ways for bringing about both stopgap results and permanent results. We should deal with any loopholes and weak links discovered during the course of "rectifying three irregularities and stopping some unhealthy tendencies." We should rectify wrong attitudes and work styles, and improve the administrative work and relevant systems, laws, and regulations through the reform measures of our locality and department.

In conclusion, Xu Qing said: The promotion of work ethics meets our objective needs, and is the fundamental way to deepen the work of checking unhealthy tendencies. We should continue to promote work ethics on an experimental basis at selected units. The experiment should be conducted in conjunction with the work of checking unhealthy tendencies. More attention should be paid to education, standards of conduct, and motivating mechanisms. Coordinated efforts should be made to explore effective ways, boldly reform and blaze new trails, and popularize the successful experience of selected units in large areas.

Delegates from 15 provinces and municipalities, including Beijing, Tianjin, Jiangsu and Shandong, exchanged information and experience on "hot topics" and "difficulties" of the work of checking unhealthy tendencies during the meeting. They put forward many good ideas and suggestions.

CHINA DAILY Says Tax Reform Paying Dividends

*HK3105060894 Beijing CHINA DAILY in English
31 May 94 p 4*

[By Yu Nai: "Tax Reform Pays Dividends, Causes Trivial Inflation"]

[Text] Tax reform has paid dividends just five months after the new system was introduced.

The reformed tax laws have not spurred on inflation as some predicted. Instead, it successfully increased central finance.

Finance Minister Liu Zhongli said the new system has almost fortified government revenue while causing only a negligible blip in inflation.

He claimed that the reform has been generally successful.

Accompanied with changes in banking and at state enterprises, the tax reform aims at boosting dwindling state coffers and is believed to be one of the biggest and boldest steps in 1994—a crucial year for reform, leaders repeatedly say.

The focus is on re-distributing revenue between central and local authorities and between the government and enterprises.

Taking the place of the contract system, by which localities are only required to turn over a fixed amount of their revenue to central coffers, the new collecting method breaks payments into three parts: One to the central government, another to the local administration, and the rest shared by both.

The reform has put enterprises of different ownerships in the same tax bracket of 33 per cent, creating a fair environment for competition.

Meanwhile, the government cut the original 40 tax items in half and focused mainly on collecting value-added taxes. This turns out to be more scientific and easier to carry out.

However when the system first went into effect on January 1, experts worried that double-digit inflation was not providing the right climate for tax reform. Some feared it would fuel inflation.

Theoretically the reform will trigger cost-push inflation because some enterprises will transfer the increased tax payment onto consumers.

But economists may rest assured.

The price hikes inherited from the second half of last year can be traced to the above-target money supply, overheated fixed-assets investment, and the raise in grain prices. "The tax reform has not pulled up the inflation rates at a large margin," said Minister Liu, also director of the State Administration of Taxation (SAT).

Before the reform each ton of steel cost more than 4,000 yuan (\$461.9). The price actually fell thereafter.

Plainly, it is still the relationship between demand and supply which sets prices.

And while city folk complain that vegetables are more expensive than a few months ago, they can't blame this on the tax reform. The rate on the retail sales of vegetables has remained unchanged. But some wholesalers and retailers are raising the prices of their goods and services at the excuse of the reform.

To check the malpractice, the central government has launched nationwide inspection tours and enhanced supervision on price management.

These measures have kept the reform on the right track.

According to the SAT, state tax revenue jumped 29.2 per cent in the first four months, compared with the same period last year. Central finance revenue was 85 billion yuan (\$981 million) more than expenditures.

Generally speaking, most enterprises feel a lighter tax burden.

In Fujian Province the new system cut 49 million yuan (\$5.6 million) in taxes from state industrial enterprises, according to the Economic Information Daily.

Foreign investors who find themselves paying the same amount of taxes as last year have dispelled any misgivings toward the reform.

But the new system also hits some firms hard. The Economic Information Daily says that waterworks and those using farm products as major raw materials in Fujian shoulder heavier taxes than before. It suggests that the government consider lightening the burden on these firms.

The SAT does, in fact, extend preferential measures to some enterprises. Welfare-oriented enterprises, school-run factories, and some commercial wholesalers are refunded part of their tax; the value-added tax rate for things like coal and farm products has dropped from 17 per cent to 13 per cent.

SAT says that some enterprises are crying about increased taxes because the new system has stopped loopholes that used to make tax-dodging possible.

At the same time, the central government is aware of some technical problems in the enforcement of new taxes.

According to the People's Daily, only 40 per cent of stores know how to correctly make out value-added tax receipts. Some people in Guangzhou, Shenzhen, and Shanghai even print and peddle fake receipts.

Also the paper criticized a few local authorities who don't understand the new tax system. Their misunderstanding will likely upset the new system, it said.

Official Views Possible 'Flexibility' in Local Taxes

HK0106055594 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 1 Jun 94 p 5

[By Carrie Lee]

[Text] Local governments in China may get flexibility in the implementation of taxation, including property gains tax, according to a state tax official.

"In the light of the direction of China's reform, we shouldn't rule out the possibility of locality governments being given some flexibility in the implementation of local taxes, such as deciding on tax rates and ways of collection," said State Tax Bureau general deputy commissioner Li Yonggui.

In the race for foreign investment, many municipal governments have proposed refunds on property gains tax for foreign investors, making the tax ineffective. The move has been publicly censured by Beijing.

"The property gains tax is an income to locality governments but its implementation rests with the central government. Locality governments are not empowered to add something to it or abandon it," said Mr Li.

He confirmed that details of the property gains tax would be released and implemented this year.

"Before working out the details, we'll consult locality governments, the authorities concerned and Hong Kong developers. We'll consider the interests, returns and risks of Hong Kong developers (in their mainland property projects). We'll also take inflation into account," he said.

Committee To Monitor Specialized Banks

HK0106055394 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 1 Jun 94 p 5

[By Carrie Lee]

[Text] A monitoring committee will be set up in each of China's state-owned commercial banks which are presently specialised banks, according to a senior Chinese banking official.

Such a committee whose members will include representatives from the People's Bank of China and related government departments, will be delegated by the State Council to monitor and examine each bank's operational approach and its capital preservation and growth situation. It will also monitor, assess and record the performance of each bank's director, proposing performance rewards and penalties.

Ma Delun, the People's Bank's policy research department's deputy director, yesterday said branches of state-owned commercial banks would also see the establishment of such committees. A monitoring authority already exists in the State Development Bank—one of the mainland's policy banks.

Under existing banking reform, China's four specialised banks are now in the process of transforming into commercial banks which, being new financial entities, calls for a new mode of regulation.

These banks will not be allowed to invest directly in non-financial enterprises with their investments in insurance trust services and securities also restricted to a proportion of available capital. Their branches are granted no investment rights.

Meanwhile, the People's Bank has adjusted the bank reserve requirement to three per cent as one of the measures to maintain currency stability.

Mr Ma said the banking system put currency stabilisation before economic development, with the former expected to affect the latter. Previously this approach was reversed.

He also said the implementation of financial reforms should be preceded by the establishment of a system of regulations, such as the present one. "In the past, some reforms were just about implementation and action was taken before (attention was paid to) other considerations...existing financial reform starts with the establishment of financial rules," he said.

Mr Ma conceded the insurance industry was still not well developed on the mainland. "People don't understand the

concept of insurance very well. More publicity is needed to educate them that it is an investment apart from being a kind of protection," he said.

"Policy insurance and commercial insurance should be audited separately...for fair and orderly competition.

"The industry should be differentiated into life insurance and non-life insurance. We should develop national, locality and specialised insurance companies."

Reinsurance companies should be set up and a rural insurance industry should be developed, he said.

"We should expand the scope and autonomy of capital use for insurance enterprises, and duly raise insurance solvency margins to strengthen the industry's financial strength."

Official Says Exchange Rate To Be Maintained

HK0106031294 Hong Kong EASTERN EXPRESS
in English 1 Jun 94 p 27

[By Ian Robson]

[Text] The People's Bank of China will continue to intervene in the foreign-exchange markets to support the renminbi at current levels, a senior Chinese official said yesterday. "We believe that 8.7 renminbi to one US dollar is a reasonable rate under present circumstances," Hu Xiaolian, deputy director of the State Administration of Exchange Control Policy and Regulation Department, said. "And the People's Bank will, like central banks in other countries, stabilise the renminbi at what it believes to be the beneficial rate." Hu said that although the bank would look to keep the renminbi at 8.7 to the dollar, this was not cast in iron. "The rate is not a fixed one," she said. "It will have to adjust to the economic situation in China and, more specifically, the austerity programme and the need to rein in inflation."

Hu said the conditions were not yet right for foreign banks to be allowed to undertake renminbi business. She did not put a timetable on the opening of the sector. Chinese officials are understood to be reluctant to allow foreign banks to compete with domestic banks until the main land banking system is put on a sound footing. China has just launched an ambitious reform programme aimed at turning its former state-owned banks into commercial banks.

Hu said the inter-bank foreign-exchange trading network would be expanded to 18 cities this year from 12, but there were no plans at present to expand it further. "Its further development will depend on demand," she said.

Commentator on Promoting State Treasury Bonds

HK3105042694 Beijing RENMIN RIBAO in
Chinese 28 May 94 p 1

[Commentator's article: "Make Persistent Efforts To Accomplish Plan To Sell State Treasury Bonds"]

[Text] This year's work of issuing state treasury bonds is proceeding smoothly, the plan to issue two-year state treasury bonds has been accomplished ahead of schedule, and the process of issuing three-year state treasury bonds has come close to 70 percent fulfillment.

The scale of issuing state treasury bonds this year is markedly larger than last year, while the period arranged for their issuance is markedly shorter than last year. In the past two months, with the support from the broad masses of the people, issuance of state treasury bonds made satisfactory progress, and many localities saw people competing to buy state treasury bonds.

The issuance of state treasury bonds is a good thing which benefits the country and the people, and the issuance of state treasury bonds this year is a big issue which has a bearing on reform, development, and overall stability. In particular, it is of great significance to strengthening macro-regulation and control, checking inflation, and ensuring the construction of key projects. Apart from using market methods to strengthen sales, the relevant departments have also adopted many preferential policies and conditions toward the issuance of state treasury bonds to enable investors enjoy benefits; as a result, state treasury bonds have become an important means for the masses to preserve and increase the value of the money in their hands. Therefore, this year's issuance of state treasury bonds has won the enthusiastic support and response of various social quarters in the whole country. Judged from the issuance situation in the last two months, most buyers of state treasury bonds are individuals from the masses, and this shows that the real foundation of the national debt market rests on the broad masses of people.

Since this year, the national economy has continued to maintain a good development trend, various reforms have proceeded normally, and the financial and revenue situations are very good, and this has provided a relatively good macro environment for the work of issuing state treasury bonds. This year, governments of various levels have attached great importance to the work of issuing state treasury bonds, and they have organized efforts and exercised leadership effectively; the financial departments of various levels, banks, and relevant organs established the concept of the overall situation, coordinated efforts among themselves, and earnestly organized propaganda and provided many convenient services to the people as they promoted state treasury bonds; and propaganda departments gave active support by launching propaganda, and this was also an important factor contributing to our success.

At present, there are only a few days left to the deadline for the issuance of two-year state treasury bonds, and it is only one month to the deadline for the issuance of the three-year bonds. Relevant departments in various localities must make persistent efforts and continue to do solid work in sales and service. Although the plan to issue two-year state treasury bonds has been accomplished ahead of schedule, relevant departments in various localities must continue to meet the needs of units and the masses who

want to buy state treasury bonds and continue to run the business of "using the old to change for the new." Because the work of issuing two-year bonds will soon end, purchasing power will change course to the three-year state treasury bonds, therefore, the relevant banks must still adopt effective measures and do a good job in propaganda and service to allow units and the masses to further understand the preferential conditions of the three-year bonds, as well as the function of buying state treasury bonds as a means to preserve and increase the value of their savings. Financial departments at various levels and securities agencies should create conditions for active participation in and assistance to the work of promoting the three-year state treasury bonds, and, through flexible and convenient sales service, meet the need of various social quarters who want to buy state treasury bonds. Through common efforts, this year's plan for the issuance of state treasury bonds will surely be accomplished on schedule.

Foreign Investors Trying 'To Devour' Capital

HK3105071094 Beijing RENMIN RIBAO in Chinese 24 May 94 p 9

[Article by Liu Jian (0491 0256) of the Enterprise Supervisory Office of the Beijing Municipal Industrial and Commercial Bureau: "Tricks by Foreign Side in Joint Ventures To Transfer China's Domestic Capital"]

[Text] After business registration, some foreign investors in joint ventures resort to many tricks to devour China's domestic capital during the initial period of the joint venture's operations, the profit-making period, and the winding-up period by taking advantage of the incompleteness of some policies, loopholes in departmental convergence, a lack of information on the world market, and their eagerness to seek foreign capital. They mainly employ the following tricks:

They use deceptive methods to raise the price of equipment when submitting quotations. Under the pretext of "joint purchase and each having a share of the stock," they ask the Chinese side in the joint venture to remit foreign exchange to overseas bank accounts. Not knowing about their foul play, the Chinese side is cheated into remitting foreign exchange out of the country.

They use intangible assets for investment and raise prices by introducing a no-price reference system and taking advantage of the Chinese side's difficulty in carrying out accurate appraisals, thus holding the stock of the joint venture and sharing its profits.

By investing technology and equipment, they control the supply of materials needed for production and the right to purchase outside the country. They devour the Chinese side's foreign exchange outside the country by submitting high price quotations. Taking advantage of the Chinese side's eagerness for "more foreign exchange," they monopolize overseas sales channels and rights and cut off the link between Chinese enterprises and the international market. They lower the export price of commodities and raise the

selling price of these commodities in foreign countries to make exorbitant profits abroad.

They establish enterprise "groups" with "key enterprises" (enterprises with 50 percent or more of the stock in the possession of the foreign side) as their core and turn other enterprises in these "groups" into processing factories of the "key enterprises," thus controlling domestic sales of products manufactured by other enterprises. These "key enterprises" purchase other enterprises' products at low prices and thus make exorbitant profits through domestic commercial channels.

Not long after investing, they withdraw their investment capital under false pretexts and allow production to continue with the Chinese side's capital or domestic bank loans. They participate in profit sharing by illegally obtaining qualifications.

By taking advantage of policy differences between regions, they transfer their income to other tax-rate regions (usually low-tax regions) by irregular financial means, thus creating a false loss-making situation.

They transfer cost expenses from an enterprise where they hold a high percentage of the stock to an enterprise where they hold a low percentage of the stocks or else they shelve the expenses to form a large "expense pending apportionment." In enterprises where they hold a low percentage of the stock, they shift the burden to the Chinese side.

They make one investment and then repeatedly spirit it away to form capital with multiple registration. In this way they get profits from various aspects by illegally obtaining qualifications.

They rent out or sell duty-free goods and equipment to others to receive exorbitant profits.

They illegally engage in business operations which are prohibited by the state. By deceptive means, they cheat a large amount of capital out the Chinese side and deposit it into their accounts to obtain interest. They mix this interest with their business profits and remit it out of the country.

When a joint-venture enterprise winds up due for certain reasons but has a surplus at liquidation, the foreign side will use diluted stock to participate in the distribution of the remaining assets.

These tricks can be summed up in four types: Submitting high price quotations, occupying diluted stocks, taking advantage of price differences, and false accounting. Each trick manifests itself in the different development periods of joint-venture enterprises. These tricks by law-breaking foreign investors have caused losses of state assets, as well as the results of introducing foreign capital. Effective measures must be taken to stop them.

Information Center Predicts State Firms To Expand

HK3005012994 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 29 May-4 Jun
94 p 8

[By Wu Yunhe: "Growth in State Firms Is Forecast"]

[Text] Casting aside wariness about their teetering profits, State-run industries are likely to expand production this year by 7 percent to 8 percent, the State Information Centre said.

In comparison, State industrial output last year grew by 6.4 percent, said Xu Hongyuan, an economist with the centre's economic forecasting department. The State Information Centre is an arm of the State Planning Commission.

Hindered by some small and medium-sized money-losing factories, State industry only saw a limited production growth of 2.2 percent in March and 5 percent in April, Xu added.

However, he predicted that in the months to come large factories will lead State manufacturers to stepped-up production, aided by a slight loosening of the government's controls on credit.

"Their production growth may stand at around 7 percent in May and June," he noted.

The higher industrial production will help push up growth in the gross national product by 12 percent during the first six months, Xu said.

During the first half of this year, State factories are expected to turn over to the government 30 percent more in taxes than in the same period last year.

Xu believes that the big factories are propping up the entire State sector, which accounted for nearly half of the country's industrial output last year. Big factories make up one-fifth of all State industrial enterprises.

Official sources say that slow sales and outdated products are responsible for "quite a lot" of the operational losses of small and medium-sized firms.

Xu said that State enterprises turn over to the government as much in taxes as do foreign-funded firms, but that growth in their production and profits is much slower. This reflects slower improvements in efficiency in small and medium-sized State enterprises.

Heavy financial burdens are hobbling State industries trying to increase their profitability, Xu noted.

For example, he said, "A worker in a State-owned factory now has to support the pensions of at least two retirees."

Meanwhile, wage reform has raised workers' salaries by 28 percent even as State factories struggle for profits and inventories pile up.

Economists with the State Information Centre suggest that State firms take bold steps to strengthen their internal

management. For instance, they say that linking employee salaries to company profits would raise morale and improve productivity.

In addition, they believe that since the central government urges State factories to finance the pensions of many retirees, it should also consider slashing plants tax burdens.

Xu said the government should give most money-losing State factories a chance to recover, since they are struggling hard to cope with sweeping reforms in finance and taxation.

However, those State firms that stubbornly cling to discredited management methods and continue to lose money should be declared bankrupt or be merged with other factories.

Zhejiang Enterprises Eye Western China

OW3105133994 Beijing XINHUA Domestic Service
in Chinese 1118 GMT 30 May 94

[By reporter Shen Haixiong (1957 3189 7169) and correspondent Zhao Renchun (6392 0088 2504)]

[Text] Hangzhou, 30 May (XINHUA)—Some Zhejiang peasant entrepreneurs with strategic vision have worked to open up markets in the central and western parts of the country, and the Zhejiang Provincial CPC Committee and government have taken measures to support local town and village enterprises in doing so.

Hangzhou's Wanxiang Group has decided to appropriate 100,000 yuan for soliciting "westward-bound" strategic plans from across the country. According to the enterprise group's "westward-bound plan," it will invest 100 million yuan in developing markets in central and western China. Before this, hundreds of Zhejiang's town and village enterprises had already established enterprises in central and western China. Xiaoshan City's Hangmin Industrial Corporation, in the richest village in Zhejiang, has invested 20 million yuan in the last two years to establish a few textile dyeing factories in Henan's Zhengzhou and other localities. The corporation's president, Zhu Chongqing, said gaining a foothold in the central and western parts of the country had expanded his company's markets and added new assets to the company.

The sales of industrial products of Zhejiang's approximately 700,000 town and village enterprises total 240 billion yuan annually, accounting for two thirds of the province's total industrial sales and 11 percent of the total sales of the country's town and village enterprises. The province also has more than 280 large enterprises, each of whose annual output value exceeds 100 million yuan and whose annual exports exceeds 30 million yuan.

An official of the Zhejiang Provincial Bureau of Town and Village Enterprises said: Due to lack of energy and raw and processed materials in the province, local enterprises are unable to get necessary resources locally. Moreover, because the major products of local town and village enterprises are daily consumer products, inland markets

have become increasingly important to us. According to a survey report, the petroleum, coal, steel products, cotton, and other important materials currently needed by Zhejiang's town and village enterprises' production are primarily supplied from the central and western parts of the country. And, at least more than 100 billion yuan of the province's annual sales of industrial products comes from central and western China.

Since the state called for promoting economic and technological cooperation and exchange in 1993 in an organized and planned manner between the eastern and western parts of the country, some farsighted town and village entrepreneurs of Zhejiang have begun to set their eyes on gaining a foothold in the central and western regions of the country, deciding to develop cooperation with these regions to seek common prosperity.

The Zhejiang Provincial CPC Committee and government have fully approved such moves by local town and village enterprises, and quickly set up a leading group for coordinating cooperation between local town and village enterprises and regions west of the province, to ensure that local town and village enterprises gain a foothold in these regions. So far, the group has proposed to local town and village enterprises nearly 100 cooperation projects with Xinjiang, Henan, and other localities. Cooperation on many of these projects has begun.

Zhejiang's town and village enterprises have entered the central and western regions using three major approaches: The first approach is by way of contracting or leasing, that is, Zhejiang's town and village enterprises contract or lease loss-making enterprises in central and western China and then use their more skillful management to improve these enterprises' economic performance. So far, at least more than 100 town and village entrepreneurs from Zhejiang have settled down in central and western China. After contracting to run a state-owned Chinese medicine factory in Shanxi's Taiyuan, a peasant entrepreneur from Zhejiang's Wenzhou boldly adopted new management mechanisms to run the factory, enabling the debt-ridden "long-established" enterprise to regain vitality before long. The second approach is by way of joint business operations, that is, Zhejiang's town and village enterprises, making use of their better technology and management expertise and the rich resources and lower wages in central and western regions, establish new enterprises in these regions and sell their products locally. The Shijia Sports Wear Company in Zhejiang's Cixi established a factory in this way in northern Anhui. The third approach is by way of establishing energy and raw and processed materials bases and sales outlets in central and western China. For instance, more than 20 town and village enterprises in Zhejiang's Huzhou have established energy bases in Shanxi—a major energy-producing province—and assisted local enterprises to improve storage, transportation, and processing equipment. Realizing that the country's western region borders some Central Asian nations, many town and village enterprises in Huzhou have jointly established trading companies with enterprises of the region, enabling them to use border port cities as their "jumping boards" for entering

Central Asian and European markets. The Bosaidong Garment Company in Huzhou's Zhenxi Township was a little-known enterprise; but, since it set up a few "trade windows" in Inner Mongolia and Xinjiang last year, its products have quickly entered East European countries, enabling the company's per capita tax payment and profit to reach 10,000 yuan last year.

Zhejiang's town and village entrepreneurs who have established enterprises in the central and western parts of the country said their opening up markets in central and western China was an economic move based on market demand and prompted by mutual economic benefits and that the purpose was to enable the eastern and western parts of the country to enjoy common prosperity through reaping common economic benefits.

Officials Give Reasons for Falling Steel Prices

HK3005051794 Beijing CHINA DAILY in English
30 May 94 p 2

[By Pei Jianfeng: "Steel Prices Decline Due to Oversupply"]

[Text] Rolled steel prices have dropped on the Chinese market due to overproduction and a tight bank credit policy.

Since April, prices of most steel products declined by 1.5 to 4.1 percentage points around the country. It was the first time this year that steel prices fell.

The main reason for the price slide was that supply had already surpassed demand, said officials from the Ministry of Metallurgical Industry.

China's output of rolled steel reached 27.6 million tons during the first four months of this year. That was up 9.81 per cent over the same period last year.

At the same time, imports of rolled steel amounted to 6.21 million tons, an increase of 5 per cent over last year.

As a result, stockpiles swelled around the country. By the end of April, the stockpile of domestic steel had jumped 26.73 per cent from the beginning of the year.

Officials said that the shortage of money under the central bank's tight credit policy to control investment and bring down rising inflation also contributed to slack domestic demand for steel products.

Many manufacturing and trading companies do not have enough money to buy steel products and other raw materials.

The government's investment control in fixed assets has curbed the demand for steel products, according to officials.

Steel prices rose sharply beginning early last year with the country's investment and construction boom. Imports, mainly from Japan, South Korea and Europe were large because Chinese manufacturers could not meet demand. China produced 76 million tons of rolled steel in 1993.

Prices started to drop after the central bank adopted a tight credit policy and limited real estate development last July.

Also, imports became more expensive with the devaluation of renminbi from 5.8 yuan to one U.S. dollar to the current 8.7. Despite that, imports are still large at the moment. Starting from this year, the import licence for steel products was lifted.

In December last year Chinese companies imported 4 million tons of rolled steel, which greatly expanded the country's stockpile.

Since this year, the government cancelled the import licenses for steel products. Domestic companies can now import steel through various channels.

However, due to lack of co-ordination and management, many companies still import those steel products that are already hard to sell on the domestic market, officials said.

To stem speculation on the domestic market, the government decided to stop futures trading in steel products in early April.

Steel Plant Makes Use of Foreign Professionals

OW2905130894 Beijing XINHUA in English 1157 GMT 29 May 94

[Text] Beijing, May 29 (XINHUA)—China's steel giant, the Capital Iron and Steel Works (Shougang), employs 207 foreign professionals from Russia, Ukraine, the U.S., Japan, Canada and Germany.

Some 85 percent of them are senior engineers or experts in metallurgy, mechanics, architecture, finance, management and environmental protection.

Shougang is a pioneer enterprise in China's economic restructuring. It has developed into a transnational conglomerate, with 260,000 employees.

It provides a good working and living environment for the experts. It has built special apartments for them, their spouses and children. Offices, research equipment, testing facilities and computers are all available for them. There is also a special entertainment center for them.

The foreign professionals have made great contributions to the development of Shougang. In 1993 foreign experts completed 35 programs for the works, producing nearly 100 million yuan in earnings.

In order to raise its management level Shougang intends to hire prominent foreign entrepreneurs, financiers and bankers in the near future.

Manager Explains Shoudu Iron Development Strategy

HK3105055094 Beijing ZHONGGUO XINWEN SHE in Chinese 1013 GMT 15 May 94

[By staff reporters Tian Huiming (3944 1920 2494) and Yu Donghui (0151 2639 2547)]

[Text] Beijing, 15 May (ZHONGGUO XINWEN SHE)—While many managers of state-owned enterprise are considering the issue of how to extricate themselves from the predicament of losses, Luo Bingsheng, general manager of the Shoudu Iron and Steel Company, is thinking about ways to expand the company's businesses in two directions—extending its influence over Southeast Asia and gaining access to markets in Europe and the United States with the aid of Hong Kong's position as a financial and trade center and its advantages as a free port.

During an exclusive interview with these reporters a few days ago, Luo Bingsheng summarized the overseas development strategy of Shoudu Iron and Steel Corporation as a "two-step" plan.

Shougang Overseas Headquarters, which has a staff of 6,000 people, has been established. General offices in Hong Kong and New York, which are subordinate to the headquarters, were set last year. Earlier this year, Shougang Southeast Asia Holdings Corporation was registered in Singapore. The company's overseas development strategy—standing firm in Hong Kong, unfolding its two wings, opening up new battlefields, and building new bases—has begun to take shape.

Luo Bingsheng said: In the course of reform and opening up, the gates of Shoudu Iron and Steel Company must not only open to the domestic market, but must open to the outside world as well. The company must march into the international market to compete with the largest corporations in the world.

Luo, an expert in iron and steel production who graduated from Guizhou Industrial College in the 1960's, has such ideas: "It is necessary to set up a concept of operating in debt and courageously borrowing money and utilizing foreign capital to develop ourselves."

In October 1992, the board of directors of Shoudu Iron and Steel Company made a decision within 24 hours to join hands with Hong Kong's tycoon Li Ka-Shing to take over Hong Kong's Tung Wing Steel Holdings Limited. Later, it consecutively gained control of four listed Hong Kong companies, comprising Eastern Century Holdings Limited, Santai Manufacturing Limited, Kader Holdings Company Limited, and Hoi Sing Holdings Limited. This series of actions shook the Hong Kong stock market.

According to Zhou Guanwu, chairman of the Shoudu Iron and Steel Company, the above actions were not giant strides but small ones for the company in marching into Hong Kong.

In the meantime, the company took a major step to acquire a steel works in California and a large iron mine in Peru, which evoked repercussions both at home and abroad.

Luo Bingsheng added, smiling: Our business in the United States is merely at a "stage of laying out chess pieces" and our goal for the next step is to enter the U.S. stock market.

Luo Bingsheng said: The overseas development strategy put into practice was the brainchild of Zhou Guanwu, the

"chief architect" of Shoudu Iron and Steel Corporation. In every country, a number of backbone enterprises seek access to international markets. Similarly, Shoudu Iron and Steel Corporation is ready to enter international markets because it has grown in strength and possesses this capability as a result of 15 years' of reform.

According to Luo Bingsheng, a milestone of historic significance in the development of the Shoudu Iron and Steel Corporation was Deng Xiaoping's inspection on 22 May 1992 and his instructions on that occasion that the company should take the lead in the country's iron and steel industry.

Afterward, leading cadres of the State Council, including Li Peng, Zhu Rongji, and Zou Jiahua came to inspect Shoudu Iron and Steel one after another, and, centering around the development objective of building the company into a large transnational enterprise, decided to grant "three powers"—investment power, financing power, and decisionmaking power in foreign trade—to the company.

With these three powers, Shoudu Iron and Steel, like a tiger with wings, began to operate international businesses as it already had the important prerequisites for the exploration of overseas markets.

Looking forward to the company's future, Luo Bingsheng said: At the turn of the century, the output of the company's iron and steel production base in Beijing will reach 10 million tonnes a year, and that of the Qilu production base, which has yet to be built, will also reach 10 million tonnes a year. With the construction of an overseas iron and steel base with an annual output of 5 million tonnes to be completed, the Shoudu Iron and Steel Corporation will fully deserve the name of the largest iron and steel company in the world.

Why can China's large enterprises not operate on an equal footing with the big companies of the world? This is an issue the general manager of Shoudu Iron and Steel Corporation is always thinking about.

Oil Industry To Open to Foreign Investment

HK3005013194 Beijing CHINA DAILY
(BUSINESS WEEKLY) in English 29 May-4 Jun
94 p 1

[By Chang Weimin: "Oiling the Wheels"]

[Text] China will employ more flexible policies to open up new horizons for foreign investment in its oil industry. Wang Tao, president of the China National Petroleum Corp (CNPC), said co-operation with foreign governments and companies, unfurling offshore as well as onshore, will take more flexible forms.

In an interview with Business Weekly, Wang said a wide range of joint ventures is to be forged to tap the country's petroleum resources.

Wang revealed that Chinese and international oil firms are working on possible joint ventures in upstream as well as downstream operations.

Big projects can be expected to begin immediately once approved by the government,

China's oil industry, which annually produces 144 million tons of oil and 16 billion cubic metres of natural gas, has absorbed \$15 billion in overseas investment over the past 16 years.

Wang is leading a 54-member Chinese delegation to the 14th World Petroleum Congress opening today in Stavanger, Norway.

Wang said the oil delegation, the largest the country has ever sent abroad, will promote Chinese views and ideas on overcoming global challenges in energy development.

China, which is to host the 15th World Petroleum Congress in Beijing in 1997, expects important information to emerge in Stavanger.

The Chinese delegates are to cultivate foreign countries' views on energy development and discover new measures for protecting the environment.

"We hope exchanges on a wide range of topics in Norway will help pave the way for greater foreign co-operation," Wang said.

He praised China's oil development over the past 15 years, saying foreign co-operation has helped raise operations to a new stage.

Chief among the accomplishments are that:

—About one-fifth of the country's land has been opened to foreign oil exploration and development.

Foreign co-operation started 15 years ago in the country's offshore areas, and was extended onshore last year with the opening of international bidding for exploration in the Tarim desert basin in XinJiang Uygur Autonomous Region.

Wang said exploration contracts with foreign firms are being carried out.

Encouraged by China's open policies, foreign firms are not only exploring virgin territory but are also enhancing the recovery of oil in existing oilfields.

More than 70 foreign oil firms from 15 countries have applied for another round of bidding for onshore operations. Results of the bidding are due within three months.

The foreign firms expect to explore 26 blocks and start 11 enhanced-recovery projects.

—Co-operative projects in oil refining and petrochemical manufacturing are expected to satisfy the rising demand in China, which anticipates 9 per cent economic growth in the next seven years.

—Foreign companies will also work with Chinese on engineering, technical research and equipment manufacturing.

Last year, CNPC signed \$206 million worth of contracts for engineering and labour services abroad. The volume equalled the total for all of the 1980s.

—Preparations for overseas oil operations and financing are under way.

Report Views Development of Tarim Basin

HK3105143694 Beijing ZHONGGUO XINWEN SHE in Chinese 1108 GMT 16 May 94

[By reporter Li Dehua (2621 1795 5478) and correspondent Xu Xiaolin (1776 2556 3829)]

[Text] Korla, 16 May (ZHONGGUO XINWEN SHE)—To date, the reserves of nine oil and gas fields have been verified in Tarim. By the end of last year, Tarim had produced an accumulated total of 3.23 million tonnes of crude oil. At present, the daily output of crude oil in Tarim has reached 6,000 tonnes, and the annual output of crude oil of this year is expected to be 2.1 million tonnes.

Since oil prospecting and exploitation began in Tarim five years ago, the reserves of nine oil and gas fields, including Lunnan, Donghetang, Gatamu, Mulake, Jiefangqudong, Tazhongsi, Momai No 7, Hongqigou, and Tiergen, have been verified. Thirty-four industrial oil- and gas-bearing structures and 17 high-yielding oil and gas wells and points have been discovered. This has fulfilled the state plan for ensuring reserves for the 5-million-tonne production capacity during the Eighth Five-Year Plan. A series of major breakthroughs with strategic significance have also been made while prospecting in the region.

The discovery of the Tazhong 1-billion-tonne grade oil field with Tazhong No 4 as the main body in 1992 and the important discovery of the No 6 anticline of the No 10 structure in the northern slope zone of the Tazhong low swell in 1993 have unfolded the broad prospects for the discovery of large oil field group in the Tazhong area. In the Tazhong area, in addition to continued discoveries in the Lunnan and Donghetang Oil Fields, the general analysis on several structures of the Luntai broken swell has led to the discovery of four oil- and gas-bearing structures in the Momai No 7, the Yaha, and the Hongqi structures. A number of high-yielding oil and gas wells have been drilled. All this fully shows the gratifying prospects for the discovery of large oil and gas fields in the Tarim Basin.

Taking part in the prospecting and development of the Tarim Oil Field are over 10,000 people from the well-drilling teams in the six major oil fields in Huabei, Central Plain, Daqing, Sichuan, Shengli, and Xinjiang.

'Roundup' Emphasizes Importance of Coal to Economy

OW3105141994 Beijing XINHUA in English 1342 GMT 31 May 94

["Roundup": "China's Key Coal Mines Play a Growing Role"]

[Text] Beijing, May 31 (XINHUA)—China, in an effort to ensure a steady supply of coal to numerous power plants, factories and households, has given special emphasis to the building of key coal mines.

Dozens of key mines which enjoy preferential treatment in capital and raw material supply have been built over the past ten years to meet the growing demand.

"They have formed the backbone of the coal industry," said an official from the coal ministry.

China relies heavily on coal for its energy supply. Statistics show coal accounts for over 75 percent of the country's consumption of primary sources of energy.

By 1993, 45 key coal mines were completed with an increased production capacity of 110 million tons per year. Of the total, 12 are classified as extra large mines each with annual production capacity well above three million tons.

China produced 1.14 billion tons of coal last year, ranking first in the world.

Experts said investment for those key mines over the past decade totalled 39.8 billion yuan, making up 44 percent of the gross budget for the coal industry.

Meanwhile, their production capacity, at 110 million tons annually, accounted for 56 percent of the total increase, the experts said.

China began listing coal mines as key construction projects in 1982 to escalate the development of the coal industry. Since then, the number of projects has been increased from eight to twenty-five.

Up to now, three projects have been completed. The remaining 22 still under construction are on the list of 151 key projects for this year.

"This indicates China's preferential investment in energy and raw materials industries," which have been the bottleneck in China's economic development, said the official.

He said those key mines were characterized by their large scale, high speed and short construction period, indicating better returns on investment.

With advanced technology and equipment, those mines enjoy higher mechanization in coal production, he added.

At present, four coal mines—Datong, Gujiao and Pingshuo of Shanxi Province and Huolinhe of Inner Mongolia—boast annual production capacities of more than 10 million tons.

The official said that the construction of these mines played a pivotal role in stabilizing China's coal output and promoted China's development of the whole coal industry.

China will pour 6.78 billion yuan into the key projects and the production capacity of the mines under construction is expected to hit 79 million tons.

He admitted that problems still exist for these projects, such as a short supply of capital funds and building materials, which delay construction and put the projects behind schedule.

He suggested that a system be set up to guarantee and manage the supply of funds and building materials to ensure the smooth construction of the projects.

He said that the shortage of coal is bound to recur in the long run despite the present excess supply of coal on the domestic market. China plans to produce 1.4 billion tons of coal by the end of this century.

"The government should exert macro-control over the coal industry and make sure the key projects being carried out to keep abreast with China's economic development," he said.

Ministry Seeks Overseas Investment in Railroads

HK3005051694 Beijing CHINA DAILY in English
30 May 94 p 1

[By Xie Yicheng: "Railroads Hope To Lure Investments From Abroad"]

[Text] The Ministry of Railways is working on more "attractive" policies to lure direct overseas investment and management into its projects.

The move seeks to push railway development to catch up with rapid economic growth.

The policies will allow railway joint ventures to be set up and independently managed. Such commercial railways will have much more say in setting prices than State-run ones, a ministry official said.

The joint ventures will enjoy a wide spectrum of "attractive" treatment, such as pricing power and a wider business scope, such as rail-side real estate developments, to help balance foreign exchange.

"This will be a stimulus to foreign firms which are still hesitant to invest in railways with huge input and lengthy construction periods," said An Shunyi, deputy head of the ministry's Foreign Capital and Technical Import Office.

The coastal regions have been targeted with a list of lucrative rail projects for foreign investment, he said. The projects will not be revealed for several months.

Many experts suggest that the envisioned Beijing-Shanghai high-speed railway should be on the list. But the more than \$10 billion project still awaits final State approval.

Negotiations are taking place with an American firm to co-build the Zhangzhou-Chaozhou-Shantou line, which will stretch more than 300 kilometres in Fujian and Guangdong provinces.

And talks are continuing with a Canadian company on the 100-kilometre Yantai-Lancun line in Shandong Province.

The government is also trying to soak up more overseas preferential loans to finance its modern railway network, according to An.

A total \$3.7 billion from the Japanese Government and World Bank since 1980 has helped China complete 5,700 kilometres in new lines, rebuild 6,500 kilometres of old ones, and revamped six rolling stock plants.

The Asian Development Bank (ADB) will grant a \$200 million loan for technical enhancement of the Beijing-Kowloon line, which is under intense construction.

The agreement for the project is scheduled to be signed next month in Manila, signaling ADB's growing interest in China's national railways, rather than local lines.

The Japanese Government is preparing \$2 billion as its fourth railway loan parcel to China. Agreements will be struck next Summer.

China will use the blessing to update the existing Zhuzhou-Guiyang line in the southwest, and build a new 240-kilometre line linking Xian and Ankang in the northwest.

It will also cover a railway and highway bridge spanning the Yangtze at Wuhu of Anhui Province, and probably the Beijing-Shanghai high-speed rail project.

Overseas Money Used for Bohai Port Expansion

OW2905144994 Beijing XINHUA in English 1340
GMT 29 May 94

[Text] Tianjin, May 29 (XINHUA)—On the 5,800-km coastline around the Bohai Sea, more than 40 ports have undertaken expansion projects, with overseas investment being one of the main funding sources.

The area around the Bohai Sea, embracing the four provinces of Liaoning, Shandong, Hebei and Shanxi and the cities of Beijing and Tianjin, boasts many important ports whose combined handling capacity accounts for over 40 percent of the country's total.

The central government has recently listed it among the regions to be developed first in the next century, because of its large import and export volume—half of the nation's total—and its trade relations with over 160 countries and regions.

So far, Qingdao port has received a loan of 20 billion Japanese yen from the Japanese Government, and Dandong port, 20 million U.S. dollars in loans from the Asia Development Bank.

Tianjin has also sought out cooperation with foreign investors.

At present, port construction has progressed smoothly in the area.

In Liaoning, the completion of the Dayaowan Project will enable Dalian port to claim an annual handling capacity of over 100 million tons at the beginning of the next century, ranking the port as one of the world's largest.

Qinhuangdao in Hebei Province, the country's No. 1 port for coal exports, will show an increase of 30 million tons in annual handling capacity by 1996.

Tianjin, China's largest artificial port, will handle 60 million tons of goods by the end of this century, when the ongoing projects of the Beijiang, Haihe and Nanjiang harbors are completed.

Civil Aviation Construction Market Opened Partially

OW2805022194 Beijing XINHUA in English 0143 GMT 28 May 94

[Text] Beijing, May 28 (XINHUA)—China has decided to permit foreigners to invest in its civil aviation construction on condition that Chinese capital should exceed 51 percent of the total in any venture.

The Civil Aviation Administration of China (CAAC) and the Ministry of Foreign Trade and Economic Co-Operation promulgated a circular to this effect here yesterday.

The document stipulates that overseas businessmen are allowed to construct runways and parking areas in China by means of investment or co-operation. But the Chinese investment should exceed 51 percent of the total registered capital of the joint venture and Chinese citizens should take the posts of the chairman of the board and the general manager.

However, the other managing personnel can be Chinese or foreigners. The taxation rates of these enterprises will be the same as those for Chinese ones.

Those who invest in the construction of runways or parking areas will be given priority for investing in the waiting rooms, warehouses, ground services, airplane maintenance and repair, flight food, hotels, restaurants, aircraft oil and other airport-affiliated facilities.

Meanwhile, the circular reiterated that air traffic control systems can only be funded and administered by the Chinese Government.

The circular gives the green light to foreign businessmen to set up air freight companies jointly with Chinese enterprises. It is also allowed for foreign investors to buy the shares of Chinese air shipping companies, provided that the foreign capital is below 35 percent of the total registered capital.

The circular stresses that overseas airports and the aircraft manufacturing companies are not allowed to set up air freight companies in China.

Agricultural Exports 'Lack Competitiveness'

HK3005151494 Beijing ZHONGGUO XINWEN SHE in English 1253 GMT 30 May 94

[Text] Beijing, May 30 (CNS)—Statistics from China's customs show that China's agricultural products lack competitiveness in the international market and its export of such products will not be optimistic this year.

According to the statistics, China's export value of agricultural products was U.S.\$10.11 billion last year, 2.5 percent up over the year before and making up 11.1 percent of the total export value in the country, indicating that such export was basically in a wandering state. Though the country saw a great growth in quantity of most agricultural products for export since there had been three years of good harvests in the country, resulting in a big increase of agricultural products and animal livestock, the country's export value of general trade, which is the main way for agricultural exports, was U.S.\$7.61 billion last year, dropping by 12.4 percent.

Experts said that the decline in China's agricultural product competitiveness in the international market mainly resulted from the low quality and low prices of such products and the growth of such exports in the country mainly depended on the increase in amount of exports.

Ministry Promotes Modern Farming Techniques

HK3005012794 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 29 May-4 Jun 4 p 8

[By Yun He: "Modern Farm Techniques Promoted"]

[Text] China is encouraging farmers to adopt four crucial production techniques this year.

The techniques can help meet the government's 1994 target of 3.5 percent growth in agricultural output, the Ministry of Agriculture said.

The techniques involve applying fertilizers to the subsoil, improving crop seeds, controlling bollworms and preventing diseases among prawn and livestock, and processing feed with straw and stalks.

Vice-Minister Hong Fuzhen said the ministry is expecting foreign investors to bring advanced management skills and equipment to help spread this technology.

Hong said that at least two new generations of crop seeds should be developed during the rest of this century to push up farm production.

By the year 2000, he said, better seeds should account for at least 40 percent of the annual increases in agricultural output.

In the use of fertilizer, the central government will strive toward three major targets during the next five years:

—By 1998, subsoil fertilizer should be used on 66 million hectares of farmland, or 60 percent of China's grain acreage.

Hong said that only 12 million hectares are now fertilized by machine, adding that the figure is expected to rise to 46.7 million hectares by 1998.

—The technology for applying nitrogenous fertilizer should spread across the countryside, and 40 percent of fertilized farmland is to be treated in this way.

—By effectively using fertilizer, the per hectare yield of wheat is expected to increase by 300 kilograms; of maize, by 375 kilograms; of soybean, by 225 kilograms; and cotton, by 225 kilograms.

With advanced technology, farmers are also expected to reduce their use of fertilizer by 180 kilograms per hectare by 1998, Hong said.

He reiterated that another crucial task is the vigorous development of pesticides to prevent animal and shrimp diseases and wipe out bollworms, both of which brought disaster to farmers last year.

In three to five years, Hong said, another 141 model counties will be designated to play leading roles in the development of feed-processing technology using straw and stalks, providing a stimulus to animal husbandry. At present, the country has 59 model counties.

'Vegetable Basket' Plan Top on Leaders' Agenda

OW0106092094 Beijing XINHUA in English 0828
GMT 1 Jun 94

[Text] Beijing, June 1 (XINHUA)—The "vegetable basket" program has become one of the important weapons used by the Chinese Government to curb inflation.

Chinese leaders Jiang Zemin and Li Peng have time and again since January this year called for redoubled efforts to increase supplies of vegetables, meat, fish, eggs and other non-staple food, which are common on the shopping lists of urban housewives.

The phrase "vegetable basket" program was coined in 1987, when it was designed by the Ministry of Agriculture to increase production and supply of farm produce to meet the growing market demand.

As the urban people's vegetable baskets are becoming fuller, however, the program has become so important that it is being used as one of the several important measures by the central government to curb price rises, mainly caused by excessive capital investment in 1992 and 1993.

The Chinese leaders have not only urged governments at all levels, at several national meetings this year, to pay more attention to this program, but have also made investigative tours of markets to curb excessive price rises of these products—increases which caused many complaints by urban residents.

During a tour of markets in Beijing on January 19, President Jiang Zemin said that the matter of the "vegetable basket", meaning supply of vegetables and meat, eggs and milk, concerns every household and social stability.

He urged officials at all levels for continued efforts to increase production.

Just a week later, the State Council, China's cabinet, convened a national meeting on the "vegetable basket" program to boost production.

Premier Li Peng told the conference that as the income of the overwhelming majority of Chinese people is relatively low and food consumption constitutes a large proportion of living costs, the prices of food, such as grain and cooking oil, meat and vegetables have considerable influence on people's consumption.

The premier concluded that it is important for the government to ensure production and supplies of these products.

Li reiterated that the most important job for a mayor is the "vegetable basket" program.

The central and municipal governments have taken a number of measures to ensure a steady increase in production of vegetables, meat, milk and other products, such as more investment in production, preventing horticultural land in suburbs from being used for industrial development and reform in marketing networks.

Many large and medium-sized cities have set up funds to encourage more cultivated land to be used for vegetable production and to protect the interests of vegetable growers.

China's production of vegetables, meat, eggs and milk has been growing steadily over the past seven years since the program was initiated.

China last year produced a total of 37.8 million tons of meat, 11 million tons of eggs and 17 million tons of aquatic products, up at least 80 percent over 1987.

In addition, the milk output increased by 60 percent and vegetable output jumped by 50 percent to 220 million tons and fruit output was nearly 30 million tons, up 60 percent.

The per capita consumption of those products for urban and rural citizens is also on the increase.

For example, last year, the per capita average consumption of meat was 32 kg, compared with 18.4 kg seven years ago.

On average, a Chinese resident last year consumed 9.3 kg of eggs and 15 kg of aquatic products, while the figures were 5.5 kg and 8.8 kg in 1987.

Agricultural production, such as grain, vegetable, meat, eggs and milk, is expected to keep steady growth since initial macro-control progress has been made in China's economy, such as a drop in fixed capital investment, a slow-down of the over-heated real estate market, and protection of arable land. The curbed activities had attracted lots of investment which ought to have gone to agriculture.

Therefore, sufficient supplies of grain, vegetables, meat, eggs and milk will mean lower prices of non-staple food, which will in turn contribute to the government's anti-inflation efforts.

Achievements of 'Shopping Basket' Program Reviewed*OW3105104294 Beijing XINHUA Domestic Service in Chinese 0814 GMT 30 May 94*

[By reporter Wang Yanbin (3769 6056 1755)]

[Text] Beijing, 30 May (XINHUA)—Since the Ministry of Agriculture called for the nationwide implementation of the "shopping basket" project in 1987, the quantity and quality of nonstaple food on the market for urban and rural citizens have increased and risen, thus basically satisfying the increasing demands of consumers in urban and rural areas.

In 1987, the Ministry of Agriculture, due to serious shortages in the nonstaple food supply in the nation and the need for citizens to purchase meat, eggs, milk, and even vegetables with ration cards, and after summing up successful experiments carried out in some large and medium-sized cities in building up integrated nonstaple food production bases, called for the nationwide implementation of the "shopping basket" project centering in the suburbs of large and medium-sized cities. The purpose of implementing the "shopping basket" project was to increase nonstaple food output, to raise the supply level, to apply greater force to reforming the nonstaple food distribution system, and to create conditions for a gradual lifting of the control of nonstaple food prices and for improving procurement and marketing of nonstaple food.

China's "shopping basket" product output has experienced a sustained and rapid growth since the "shopping basket" project was put into practice seven years ago.

The nation's total meat output in 1993 was 37.80 million tonnes, up 82.28 percent from 1987; egg output was 11.01 million tonnes, an increase of 86.55 percent over 1987; output of dairy products posted an increase of 58.4 percent over 1987; aquatic products' output was 17.85 million tonnes, representing an increase of 78 percent over 1987; total vegetable output was 220 million tonnes, up 4 percent from the previous year and 60 percent from 1987.

The implementation of the "shopping basket" project has markedly raised urban and rural citizens' food consumption level. China's urban and rural citizens' per capita meat consumption rose from 18.4 kgs in 1987 to 32.1 kgs in 1993; egg consumption from 5.5 kgs to 9.3 kgs; dairy products from 3.5 kgs to 5 kgs; aquatic products from 8.8 kgs to 15.2 kgs; vegetables from 135.3 kgs to 186.7 kgs; fruit products from 15.4 kgs to 25.4 kgs.

The varieties and quality of nonstaple food have also markedly increased and risen in step with the increase in the quantity of nonstaple food consumption. In recent years, consumers have been able to buy various kinds of nonstaple food supplied from all corners of the country as well as great varieties of imported products. Cucumbers, celery, cauliflower, and other vegetables, which were much sought after in the past, are now being upstaged by some other daintier new varieties. Now, an abundant supply of

out-of-season vegetables on the market has enabled urban and rural citizens to enjoy delicacies which were unavailable in the past.

The implementation of the "shopping basket" project has also promoted reform of China's nonstaple food distribution system. China has smoothly lifted controls on nonstaple food prices and on procuring and marketing nonstaple food. It has basically realized the goal of using market force, which is under the guidance of the state's macroeconomic policy, to regulate the procurement and marketing prices of nonstaple food and the supply and demand relationship of nonstaple foods. Reform of the nonstaple food distribution system has promoted the development of production. The market, like an "invisible hand," is now guiding hundreds and millions of farmers to readjust production structure and to increase output and effective supply.

World Bank Loan To Combat Loess Plateau Erosion*OW2805064494 Beijing XINHUA in English 0550 GMT 28 May 94*

[Text] Washington, May 27 (XINHUA)—The World Bank today approved a credit of 150 million U.S. dollars to help restore China's heavily eroded loess plateau and lift 1.2 million people out of poverty.

The bank said that soil erosion has made China's loess plateau "something like the surface of the moon," and that per capita income there is only about 35 to 50 dollars a year.

The bank said the project seeks to tackle the issue of poverty and the environment at the same time and is expected to increase grain production by 50 percent and fruit production by 400 percent.

"The little rainfall the people get will be kept for crops and trees, where now it just runs off," said the bank's project manager Juergen Voegelé.

"They will also be able to convert highly eroded areas to production, utilize river beds and move away from unproductive and unsustainable planting on sloping hillsides," he said.

The total cost of the project is close to 250 million dollars.

Ministry Issues Notice on Rapeseed Purchasing*OW3105103394 Beijing XINHUA Domestic Service in Chinese 0851 GMT 30 May 94*

[Text] Beijing, 30 May (XINHUA)—According to the Ministry of Internal Trade, owing to larger rapeseed acreage this year, rapeseed output is expected to be higher than that of last year; and owing to arriving shipments of cooking oil imported with the State Council's approval, the cooking oil supply and demand are calming down in the market, and the price is quite stable.

As the supply of summer rapeseed will continue to increase in the market, the Ministry of Internal Trade and the State

Administration of Grain Reserves yesterday issued a "Notice on Intensifying the Market Management of Cooking Oil and Doing a Good Job in Summer Rapeseed Purchasing." The notice says: While various localities are doing a good job and making quick progress in rapeseed purchasing, certain localities appear to be ready to fight a "big purchasing war" [shougou dazhan 2392 6356 1129 2069] for rapeseed.

The notice urges state-operated grain departments to take effective measures to fulfill state-set quotas of purchasing 70 to 80 percent of rapeseed needed for processing into cooking oil. It says: In each and every county, which should be treated as one unit, state-operated grain departments there must purchase rapeseed strictly in accordance with the collective plan and price. By no means should they compete with one another in purchasing rapeseed by offering a higher price, much less should they compete with buyers in other provinces by offering a higher price.

Whoever has been found to do so in violation of regulations will have their grain and oil operating license revoked, their illegal profits confiscated, and the rapeseed they have purchased will be turned over to state-operated grain departments at a set price. Control in all channels must be intensified, and responsibilities must be prescribed and fulfilled. Under local governments' leadership, grain departments should work in close coordination with business, price, public security, and taxation departments; and share responsibilities with them in exercising stronger supervision over rapeseed purchasing and law enforcement so that normal market order can be maintained. To stabilize the cooking oil market, there should be effective measures for guarding against competitive rapeseed purchasing through various channels, and earnest efforts must be made to prevent a big war [da zhan 1129 2069] in rapeseed purchasing.

East Region**Southern Jiangsu Leads in Agricultural Modernization***OW0106023694 Beijing XINHUA in English 0148
GMT 1 Jun 94*

[Text] Nanjing, June 1 (XINHUA)—Southern Jiangsu Province, east China, has taken the lead in the country in agricultural modernization.

Half of the output value created by farmers in the rural areas has come from scientific upgrading.

Southern Jiangsu, in the Chang Jiang River delta, covers 12 counties and cities under the jurisdiction of the cities of Suzhou, Wuxi and Changzhou. The gross domestic product in the area has increased by 19.6 percent yearly since 1978, when China started its rural reform featuring the contract responsibility system with a family as the basic unit.

"Such a rate has exceeded the early economic development stage of Japan and the Republic of Korea," a local official said.

According to international standards, southern Jiangsu has entered the initial stage of modernization in agriculture, rural industrialization and urbanization.

These 12 counties and cities have been listed by the central government among the 100 counties in China with strong economic power.

The official noted that the average living space per capita, the expenditure on clothes, recreation and education and medical care, and the life-span of the people in most of these counties have surpassed the government-set quotas for a relatively comfortable life in rural areas.

He attributed the rapid economic growth in these counties to the popularization of science and technology.

A survey shows that more than 50,000 rural industrial enterprises in southern Jiangsu Province have established cooperative relations of various kinds with over 1,000 research institutions, universities and colleges.

More than 10,000 scientists and technicians across the country have settled down in these counties to help with economic expansion.

"Such a huge project to invite so many highly-trained people to work here was beyond the government's administrative capacity," the official noted.

By now, every county or city in southern Jiangsu has set up science development funds and agricultural development funds.

The annual amount of funds in science development allocated by the county and township governments accounts for at least one percent of the government's financial expenditure.

One example is Wuxi county, which spent 460 million yuan in 1992, 1.28 billion yuan last year and three billion yuan this year on science and technology.

The county has contracted for 902 provincial and national projects for the development of sciences and new products over the past three years.

So far, southern rural Jiangsu has set up over 800 scientific research institutions employing 200,000 scientists and technicians.

These institutions turn out more than 2,000 new research findings and products a year.

According to the official, the popularization of science and technology has helped widen the general knowledge and skills of rural laborers.

The nine-year compulsory education has been popularized in the 12 counties, where at least 90 percent of the rural industrial staff and workers have received technical training.

The official noted that a modern rural area with booming economy, developed science, beautiful surroundings and socialist civilization is being formed in southern Jiangsu Province.

Jiangxi Reports 'Brisk' Retail Market in April*HK3105144094 Nanchang Jiangxi People's Radio
Network in Mandarin 1100 GMT 27 May*

[Text] In April, the retail consumer goods market in our province maintained its momentum of vigorous development, with its total retail sales volume exceeding 2.2 billion yuan, a 28.7 percent increase over the same period last year. Market operations in the whole province had the following features:

1. The gaps between the development of urban and rural markets were narrowed further, and the margin of increase in the rural market was 4.8 percent higher than that of the urban market.
2. The margin of increase of the retail volume in the catering trade was much higher than that of other trades. In April, the increase of the retail volume in the catering trade was 48.2 percent, mainly because food and drink prices have risen and people have upgraded their eating and drinking standards.
3. The retail volume of the agricultural means of production reached 620 million yuan, an increase of 120 percent over the same period last year. This showed that inputs in agriculture have been considerably increased, and that supply and marketing cooperatives have done a solid job in serving the peasants.

Shandong Province Cracks Down on Counterfeiters

SK0106074594 Jinan DAZHONG RIBAO in Chinese 19 May 94 p 5

[Text] The public security bureau of Yantai Port has adopted effective measures to deal stern blows to the trafficking and selling of counterfeit bank notes.

The Yantai-Dalian route is one of the busiest passenger sea routes in China, and each year some 250 million passengers have entered and departed Yantai Port. Thus, this route has usually been called the "golden waterway." In recent years, the public security bureau of Yantai Port has organized capable and vigorous cadres to maintain public security by setting up posts, making rounds, and intercepting criminals. Since March 1993, the bureau has investigated 12 cases of trafficking and selling counterfeit bank notes which involved 16 persons and a total amount of 85,400 yuan.

Most of the adventurers found carrying large amounts of counterfeit bank notes were peasants in Henan and Anhui. Unwilling to hoe crops at high noon and to gain prosperity through hard work, these peasants indulged in deals forbidden by the state, that is, the purchase of bundles of counterfeit bank notes from dark corners for sale later in northeast China through this "golden waterway." However, they could not avoid the discerning eyes of public security cadres and policemen. On 27 April this year, at the foyer of the Yantai Passenger Station where tickets are sold, Li Fuqing, a policeman of the police substation of the Yantai Port Public Security Bureau, seized a 27-year-old peasant from Anhui Province who had hidden 12,600 yuan in counterfeit bank notes in the sleeves of a sweater in his handbag which he planned on selling in northeast China, just as he bought his ship ticket.

Shandong Towns Absorb Surplus Labor

OW3105084294 Beijing XINHUA in English 0801 GMT 31 May 94

[Text] Jinan, May 31 (XINHUA)—The agriculture-based county towns of Ninghai and Beiyuan, in east China's Shandong Province, last year recorded a total industrial and service output value of over five billion yuan (about 577 million U.S. dollars).

With the advent of the reform and open policies some 15 years ago the local farmers turned to industry and the service sector. Most of the farmers become industrial workers, service attendants or managers. Their average per capita income multiplied.

In the past ten years the township economy has developed rapidly in Shandong. The towns are now mostly equipped with water, electricity and program-controlled telecommunications as well as with department stores, schools and post offices.

Last year Shandong's total industrial and agricultural output value reached 696 billion yuan, a great increase

over the previous year. The gross domestic product (GDP) was 270.09 billion yuan, 4.3 times the figure for 1980.

The provincial government is developing small towns to absorb the surplus labor from the countryside. It is planned to transfer 10 million rural laborers from agriculture to the industrial and service sectors within six years.

In the construction of small towns the local government takes into account of their locations, natural resources and economic foundations, in order to build each town into a regional center for politics, economy, culture and communications.

Shanghai To Boost Trade Exhibition Venues

OW0106033594 Beijing XINHUA in English 0212 GMT 1 Jun 94

[Text] Shanghai, June 1 (XINHUA)—Shanghai's exhibition halls will be expanded by ten times in the coming three years.

According to a report provided by the Shanghai Uni-Trust Property Trust and Consultancy Company Ltd, many investors both at home and abroad have expressed desires to invest in the construction of exhibition halls in Shanghai to show their products and hold trade talks.

At present, the city has only four exhibition halls, with a combined area of less than 40,000 sq m. They hardly meet the needs of investors.

According to a plan, Shanghai will sponsor more than 60 large international exhibitions and fairs in the near future.

Shanghai Factories Moving To Suburban Areas

OW0106065894 Beijing XINHUA in English 0643 GMT 1 Jun 94

[Text] Shanghai, June 1 (XINHUA)—The Shanghai Steel Pipe Factory recently moved out of Shanghai city proper, and a new factory with an area a dozen times larger than the old one was set up on the outskirts.

The old premises are now used for science and technology and real estate development.

Moving industrial enterprises out of the city proper to make room for service trades is now well under way in Shanghai.

At present, there are nearly 1,000 industrial transformation programs oriented toward the Shanghai suburbs, and more than 200 new industrial areas are emerging there.

As one of China's most economically advanced cities, Shanghai's real estate has obvious graded prices. For the 400 pieces of land already allowed to be leased, the lowest price in the suburban area is 20 U.S. dollars per sq m, while the highest in the city proper has reached 5,000 dollars per sq m.

Since the beginning of the 1990s Shanghai has planned to divide the city into four functional areas—a central trade

area, commercial and trade area, suburban industrial band and second-grade market outskirts area, forming four concentric circles.

In the past two years nearly 100 financial and trade buildings have been set up in the center of the city, which provide quick and concentrated services for both domestic and foreign customers.

While secondary industry, in urgent need of funds for technical transformation and low-priced land for expansion, finds its location in the suburban areas.

Besides the factories, the residents in the old districts and government offices located in busy trade areas have also moved out.

It is estimated that about 300,000 people have already moved to new homes in the inner suburbs. And the number will increase along with the city's development.

It is noteworthy that dozens of government departments will move out of the waterside bund area and all the 37 buildings there will be leased to domestic and foreign financial institutions. Some government departments like the aviation bureau have already moved out.

This area, crowded with government departments for over 40 years, may become a financial district just like that in New York's Manhattan.

Central-South Region

Guangdong Governor Comments on Implementing Civil Service

HK3105145594 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 27 May 94

[Excerpts] Today, the provincial CPC Committee and government held a mobilization meeting on structural reform in organs directly under the provincial authorities and the implementation of a state civil service system to make arrangements for pursuing a plan to create a state civil service system in the Guangdong provincial party and government organs. The plan has recently been approved by the CPC Central Committee and the State Council. Zhu Senlin, provincial party deputy secretary and governor, made an important speech at the meeting. [passage omitted]

He pointed out: In our province, structural reform in provincial-level party and government organs has advanced from a stage of conducting investigation and study and carrying out experimental work into a stage of full implementation. Our experience has shown that the conditions for establishing and pursuing the state civil service system have matured. Therefore, the provincial CPC Committee and government have decided that government organs at all levels throughout the province are to fully implement the state civil service system and fulfill this task within a few years. The provincial CPC Committee and government have urged the relevant units to properly perform the work of making arrangements for the placement of those who lose their jobs due to reduced

staffing and link this work with the development of the social productive forces. Structural reform and streamlining overstaffed organs should be carried out through various channels and at all levels.

Guangdong Deals With High Investment Level

HK3105125194 Beijing ZHONGGUO XINWEN SHE in Chinese 0832 GMT 18 May 94

[By staff reporter Zhang Chuanxi (1728 0278 3556): "Perspective on Guangdong's Hot Spots in 1994: Guangdong Seriously Deals With 'Swollen Investment'"]

[Text] Guangzhou, 18 May (ZHONGGUO XINWEN SHE)—Guangdong is the area where the economy has developed the most rapidly in China, and it is also a major province with a considerable amount of investment. Guangdong's annual investment in fixed assets currently accounts for approximately one-tenth of the country's total. Today, at a time when macroeconomic regulation and control are being intensified, whether Guangdong is able to effectively reduce its investment has become a central issue in the course of economic development this year.

Over the past two years, Guangdong has witnessed the most heated economy since the beginning of reform and opening up in the province, and the scope of investment has swollen rapidly. In 1992, the province's investment in fixed assets exceeded 70 billion yuan, accounting for approximately one-tenth of the country's total of more than 750 billion yuan. This represented an increase of 92 percent, which was 54 percentage points higher than the national average. Last year, affected by macroeconomic regulation and control, investment was reduced to a certain extent, but investment in fixed assets was still booming and exceeded 146 billion yuan during the entire year, representing an increase of 58 percent over 1992.

The drastic expansion of the scale of investment has injected vitality into Guangdong's economy and has played an indispensable supporting role in rapid economic operations. Experts here maintain that the approximate 20 percent economic growth rate in Guangdong last year was obviously due to the substantial increase in investment there.

Last year, the province accelerated its construction of infrastructure facilities with the aid of sharp increases in investment. A total of 26 key projects with an investment amount of over 1 billion yuan each were established, and quite a few infrastructure facilities were completed and put into production, laying down the foundation for rapid economic development.

However, the growth of investment in fixed assets at a super-rapid speed for two consecutive years has also given rise to the problem of "swollen investment," which has had the following negative impacts: 1) The funding shortage has meant that funds have not been available for a number of construction projects and have affected the

macroeconomic results of investments, 2) The skyrocketing prices of building materials—that of plate glass has practically doubled—have constituted an inflationary pressure.

According to statistics, the total amount of investment projects under construction in Guangdong during the past two years exceeded 370 billion yuan.

A number of major reform measures will be introduced this year. Guangdong has proposed to properly handle the relationships between reform, stability, and development and to strengthen its control over the scale of investment in fixed assets. As has been revealed, a set of regulations on managing investment in fixed assets is currently being drafted. This indicates that Guangdong has given consideration to fixed assets investment on a long-term basis.

Guangdong has adopted six measures to reduce investment in fixed assets this year. One one hand, it has done what it could to ensure the funds required by the key projects, and, on the other, it has strictly implemented an investment licensing system to control the initiation of projects.

Judging from the first quarter of this year, investment in fixed assets has been brought under control. The investment of 2.9 billion yuan in 33 key construction projects has been fulfilled with good progress, and investment in fixed assets amounting to 16.3 billion yuan has also been fulfilled. This represents an increase of 51 percent, which is lower than that of the corresponding period last year.

As predicted by specialists, the growth of investment in fixed assets will be more appropriately controlled within 40 percent in Guangdong this year.

Nevertheless, Guangdong is still faced with quite a few thorny problems in controlling investment in fixed assets: First, the task will be difficult and the road will be long as the province tries to reduce the investment scale of state-owned enterprises. Last year, in the multiple economic sectors, investment of state-owned enterprises in fixed assets increased by the largest margin, reaching 71 percent. Due to the transformation of operational mechanisms, enterprises now possess more decisionmaking powers and have the right to define the orientation of investment, and this will certainly give rise to the issue of unnatural expansion in investment. Solving this issue is particularly difficult for the government. Second, investment projects under construction last year involving more than 200 million yuan will be transferred to this year, and this will make controlling the overall scale of investments for this year considerably difficult.

Guangzhou City Regulations on Foreign Enterprises

HK3105150694 Hong Kong WEN WEI PO in Chinese 18 May 94 p A3

[By trainee reporter Li Lichu (2621 7787 3769): "Guangzhou Drafts Regulations for the Management of Foreign-Funded Enterprises"]

[Text] Guangzhou, 17 May (WEN WEI PO)—Today, "Guangzhou City's Regulations for the Management of Enterprises With Foreign Investment" were submitted to the City People's Congress Standing Committee. Once the regulations are approved, the document will officially become a legal system for the management of foreign-funded enterprises in the city.

The regulations stipulate that, when a foreign-funded enterprise discontinues its operation without normal reasons and does not lodge an application for disbandment, the authority approves its founding, and the industrial and commercial administration may announce the disbandment of the enterprises and remove its registration. Debt disputes should be handled according to the relevant laws.

Foreign-invested enterprises must establish a perfect accounting system to reflect their business operations and must also establish a perfect statistical system.

When the products produced and exported by the foreign-funded enterprises are involved in international anti-dumping and antisubsidy investigations, they must deliver the relevant reports to the local foreign trade and economic cooperation commission, provide relevant materials about the investigated products according to the orders, and send special personnel to attend the hearings.

Workers in the foreign-funded enterprises may organize their trade unions according to the law, and the enterprises should provide the necessary conditions for the activities the trade unions.

The foreign-funded enterprises should practice the eight-hour workday standard, and they cannot extend a worker's workday by over three hours or extend a worker's work time by 12 hours in one week.

Without approval and registration, Sino-foreign joint ventures and cooperative enterprises cannot undertake management contracts. Those that violate the regulations will be removed from the contracts until they pay the business licensing fees.

Guangdong Reports 'Stable' Economic Operation Jan-Apr

HK3105150094 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 26 May 94

[Text] According to statistics provided by the provincial Statistical Bureau, our province's economic operation has been stable as a whole, and the results of strengthening and improving macroscopic regulation and control have been further demonstrated. During the first four months this year, the value of industrial sales reached 115.9 billion yuan, an increase of 19.2 percent over the same period last year. The accumulated total volume of retail sales of consumer goods was 51.9 billion yuan, up 32.5 percent over the corresponding period last year.

Under the stable situation of production and circulation, some problems that had arisen in economic operation have been mitigated. First, the margin of increase in investment in fixed assets has continued to be narrowed. Second, the

bottleneck constraint has been lessened, as the rail freight volume and generated energy of the whole province have exceeded industrial growth in the corresponding period last year. Third, the financial situation has been basically normal. Fourth, the momentum of commodity price increases has been curtailed.

Shenzhen on 'Collision Course' Over Land Tax

HK0106055694 Hong Kong SOUTH CHINA
MORNING POST (PROPERTY POST) in English
1 June 94 p 5

[By Don Lyons]

[Text] The Shenzhen government has embarked on a collision course with the central Chinese government by claiming it will not change the 20 per cent fee it charges developers on the profits on the sale of a property.

During a recent Shenzhen property exhibition at the China Resources Exhibition Hall, lawyer Zhang Zhuan Jiang of the Shenzhen Land Planning Bureau said his government had sent a report to the central government telling it "of our intent to retain the current 20 percent policy".

The central government has announced plans to implement a Land Appreciation Tax (LAT) on the profits of developers and property investors. However, the government has not yet announced how the tax will be implemented or how much it would allow developers to make before implementing the tax. Mr Zhang said irrespective of details of the LAT, Shenzhen would argue "it was a special case" and need not necessarily abide by the LAT.

He said Shenzhen authorities had emphasised to the central government that their 20 per cent fee had been in place since 1988 and they must "ensure the continuity of their policy".

Mr Zhang said Shenzhen officials believed that since investors and developers took a lot of risks in building their projects, they should be guaranteed a certain amount of profit before implementing the LAT. "So, the 20 per cent profit is reasonable," he said.

The Shenzhen lawyer said he hoped the local government would be provided with "sufficient leeway" in implementing details of the tax and that it would be allowed to be flexible in applying the tax.

Mr Zhang said the LAT had not deterred developers in Shenzhen.

"Before, we had four levels of tax. This one tax is less than before. So, the 20 per cent fee has not had a negative impact on development," he said.

According to one Shenzhen official, property development is the single biggest industry in the economic development zone.

Guangxi Regulations on Religious Affairs

HK3105140294 Nanning GUANGXI RIBAO in
Chinese 2 May 94 p 2

["Interim Regulations of the Guangxi Zhuang Autonomous Region on the Administration of Religious Affairs"]

[Text] Decree No. 2 of the Guangxi Zhuang Autonomous Region Government

Approved at the first executive meeting of the regional people's government on 2 March 1994, the "Interim Regulations of the Guangxi Zhuang Autonomous Region on the Administration of Religious Affairs" are now promulgated for implementation.

Chairman Cheng Kejie

22 March 1994

Chapter I: General Principles

Article 1. These regulations are formulated in accordance with the relevant laws, rules, and regulations and in light of the actual conditions in our region to safeguard citizens' freedom of religious belief, protect normal religious activities, strengthen administration of religious affairs, and maintain social order.

Article 2. Citizens enjoy freedom of religious belief. No organization or individual may compel citizens to believe in, or not to believe in, any religion; nor may they discriminate against citizens who believe in, or do not believe in, any religion.

Article 3. People's governments at all levels administer religious affairs according to the law. The legitimate rights and interests of religious bodies and of places of religious activities shall be protected, normal activities of religious affairs conducted by religious workers shall be protected, and normal religious activities shall be protected; illegal, criminal activities carried out in the name of religion shall be curbed and cracked down upon.

Article 4. Religious bodies and religious affairs are not subject to any domination by organizations or individuals in a foreign country or in the Hong Kong, Macao, and Taiwan region (shortened hereinafter to "outside the borders").

Chapter II: Places of Religious Activities

Article 5. Places of religious activities refers to temples, monasteries, mosques, churches, and other fixed locations where religious activities are conducted.

Article 6. To set up a place of religious activities, it must conform to the following conditions:

1. have a fixed place and name;
2. have a managing body formed by citizens who are religious believers;
3. have religious workers or other qualified personnel to preside over religious activities;

4. have a certain number of religious followers;
5. have management rules which are not in violation of laws, rules, regulations, and policies;
6. have legitimate sources of finance.

Article 7. To set up a place of religious activities, the person in charge of the managing body should apply and register with the religious affairs department of the people's government at the county level or above, bringing with him an application for the setting up of the place of religious activities, relevant data and certificates on the place, and the written views of the township (town) people's government and relevant religious body. Within two months after receiving the application, the religious affairs department of the people's government shall make a written reply as to whether registration is acceptable, unacceptable, or deferred. Those permitted to register shall be issued a registration certificate and their legitimate rights and interests shall be protected by law.

Article 8. With regard to a place of religious activities the establishment of which has been approved by the people's government and its religious affairs department, it is necessary to go through the additional procedure of registration.

Article 9. A place of religious activities shall be managed in a democratic manner. Its managing body should be reported for the record to the religious affairs department of the people's government in charge of registration and is subject to the administrative leadership of the religious affairs department of the people's government.

Article 10. The houses and other property registered as places of religious activities are managed by the managing bodies of the places and protected by law. No unit or individual shall be permitted to requisition or occupy them without authorization.

The financial management of places of religious activities must follow the financial system, make public their accounts to the followers every year, and submit them to the religious affairs department of the people's government for the record.

Article 11. Without the consent of the managing body of a place of religious activities and the approval of the religious affairs department of the local people's government, no unit or individual shall be permitted to occupy without authorization the land used by a place of religious activities (including the land, empty courtyards, towers, graves, and parks of temples, monasteries, mosques, and churches, as well as the attached houses); to demolish, rebuild, or build buildings, set up commercial or service outlets, hold exhibitions, or shoot films or telefilms.

If there is a need to requisition, for state construction, the land used by a place of religious activities, it is necessary to consult with the religious managing body having the land use right and, after soliciting the view of the religious affairs department of the local people's government, act in

accordance with the stipulations of the state and autonomous region on the requisition of land.

Article 12. Expansion, reconstruction, and renovation of temples, monasteries, mosques, and churches must be reported for approval to the religious affairs departments of people's governments at the county level and above; expansion, reconstruction, and renovation of key temples and monasteries of the country and the autonomous region must be reported for the record to the religious affairs departments of the State Council and the regional people's government respectively. Construction of a new temple, monastery, mosque, or church must be reported for approval to the religious affairs department of the regional people's government. Those related to cultural relics, urban construction, land, and landscape departments must have the approval of relevant departments.

Article 13. People from other places put up for the night at a place of religious activities must go through the formalities of registration according to the household registration management regulations and report for the record to the religious affairs department of the local people's government. Visitors from outside the borders [national borders] shall stay at guesthouses or hotels. Putting up a person of unknown identity is strictly prohibited.

Article 14. Places of religious activities designated as units for the protection of cultural relics or situated at scenic spots shall be subject to the guidance of relevant departments and shall protect historical relics and the environment.

Article 15. An annual inspection system shall be instituted at places of religious activities. In the first quarter of each year, places of religious activities shall submit annual inspection reports and relevant material of the previous year to the religious affairs departments of the local people's governments.

Article 16. Matters related to the cessation or merger of a place of religious activities and to changes in address, name, managing body, or person-in-charge shall be reported to the original registration organ by the managing body or person-in-charge of the place.

Chapter III: Religious Workers

Article 17. Religious workers refer to persons confirmed by the religious bodies set up according to law: Catholic bishops, priests, and nuns; Christian pastors, ministers, and preachers; Islamic imams; Buddhist monks and nuns; and Taoist priests and nuns.

Article 18. When ordaining or promoting a religious worker, a religious body shall report for the record to the religious affairs department of the people's government at the county level or above. Religious workers who have been ordained and placed on record must be subject to the management of their religious bodies and fulfill their duties according to their canons. Their legitimate rights and interests shall be protected by law. Those who have

not been ordained as religious workers and placed on record are not allowed to conduct activities in their capacities as religious workers.

Article 19. Religious workers shall abide by the Constitution, laws, rules, and regulations and safeguard state unification, nationality unity, and social stability.

Article 20. In line with religious custom, a religious worker may, at the request of a follower, on condition that normal production and work and social order will not be hindered, and with the approval of the relevant quarters, conduct religious ceremonies which are not suitable for a place of religious activities, such as reciting scriptures, saying prayers, performing the last rites, or delivering a eulogy, at the follower's home, a hospital, a graveyard, or a funeral parlor, usually attended by relatives and friends only.

Article 21. When invited to conduct religious activities at a place of religious activities in another place, a religious worker must have the approval of both the local religious body and the religious body in the other place and report for the record to the religious affairs department of the local government; when presiding over religious activities outside the autonomous region, a religious worker must have the approval of the regional religious body and the religious affairs department of the regional people's government.

Article 22. When accepting followers, a religious worker should observe the regulations of his religious body and of the places of religious activities.

Article 23. While serving a sentence, a religious worker is not allowed to perform religious duties; after serving his sentence, he may perform religious duties after he makes an application, gets approval from his religious body, and reports to and obtains approval from the religious affairs department of the people's government at the county level or above.

Chapter IV: Religious Bodies

Article 24. Religious bodies refers to patriotic religious organizations within the scope of a county or above set up by citizens who are religious believers. They include the Patriotic Catholic Association, the Administrative Commission of the Catholic Church, the Three-Self Patriotic Movement Committee of Protestant Churches, the Christian Council, the Buddhist Association, the Islamic Association, and so on.

The relations between religious bodies at higher and lower levels and between a religious body and the religious organizations of various churches within the scope of its activity are ones of guidance.

Article 25. To set up a religious body, it is necessary to have the following conditions:

1. the name of the body, the address where it handles official business, and the person-in-charge;
2. regulations which do not violate the laws, rules, and policies;

3. a legitimate source of finance;

4. scriptures, doctrines, and canons which can stand textual research, which conform to the historical evolution of the existing religions in China, and which do not violate the regulations of this body;

5. organization members having extensive representativeness.

Article 26. When setting up a religious body, it is necessary to apply for registration to the local civil affairs department after being examined by and receiving approval from the religious affairs department of the people's government at the corresponding level, which reports to the religious affairs department of the people's government at the higher level.

Without the approval of the religious affairs and civil affairs departments, nobody is allowed to set up a religious body without authorization.

It is not allowed to establish a duplicate or similar religious body in the same administrative region.

Article 27. All religious bodies are subject to the administrative leadership of the religious affairs department of the local people's government and the supervision and management of the local civil affairs department.

Article 28. The provisions in Articles 10, 11, 13, 15, and 16 of these regulations are applicable to religious bodies.

Chapter V: Religious Activities

Article 29. Normal religious activities conducted by followers in places of religious activities and in their own homes in keeping with religious custom shall be protected by law and nobody is allowed to interfere.

Article 30. Nobody is allowed to conduct religious activities outside places of religious activities without authorization. Nobody is allowed to conduct antireligious activities in places of religious activities.

Article 31. Places of religious activities may sell and distribute, in their own premises, religious books, audio and video products, and religious articles for which permission is obtained for printing and production. Without the approval of the religious affairs department of the regional people's government and the relevant departments, nobody is allowed to print, produce (including reprinting and copying), or distribute religious books, audio and video products, or other propaganda material.

Article 32. Religious bodies and places of religious activities may run self-supporting enterprises and organize productive labor according to law; they may accept money, gifts, alms, and donations given voluntarily.

Article 33. When conducting religious activities, religious bodies, places of religious activities, and citizens who are religious believers must abide by the law, rules, and policies; they are not allowed to take advantage of religion to oppose Communist Party leadership and the socialist system, to undermine national unification and national

unity, to engage in activities endangering national security, to interfere in state administration, the judiciary, or education, or the marriage, family planning, or other legal rights and duties of citizens, to obstruct normal production, work, and social order, to restore religious and feudal privileges or oppressive exploiting systems that have been abolished, to apportion charges to or extort donations from followers, to beg alms or solicit contributions outside places of religious activities, or to engage in feudal, superstitious activities such as praying and drawing divination sticks, practicing divination, telling fortunes, and practicing physiognomy.

Article 34. Religious education shall be handled by religious bodies in accordance with relevant provisions. To run a religious training class, it is necessary to report to the religious affairs department of the people's government at the county level or above; to run a religious institute or school, it is necessary to report to the religious affairs department of the regional people's government; to send a believer to a religious training class or to a religious institute or school to study, it is necessary to have the recommendation of a religious body and to solicit the view of the religious affairs department of the local people's government at the county level or above.

Nobody is allowed to run privately a religious school or training class.

Chapter VI: External Contacts

Article 35. Religious circles may have contacts with religious organizations or figures from outside the borders on the basis of equality and friendship and, at the same time, safeguard the interests of the state and nation and uphold the principle of running churches independently.

Article 36. Religious believers from outside the border may join in religious activities at places of religious activities set up in the autonomous region according to law, may voluntarily give money, gifts, alms, and donations and, at the invitation of the religious body at the autonomous region level or above, preach at places of religious activities set up according to law; but they must observe China's laws and rules, and the relevant stipulations of the autonomous region, the local religious body, and places of religious activities. They are not allowed to distribute religious propaganda material, admit believers, set up religious organizations, build places of religious activities, set up religious offices, run religious schools or training classes, or enroll students to study religion abroad.

Article 37. Religious bodies and places of religious activities may, in line with the relevant provisions, accept money and goods which religious organizations (including institutions with a religious background, and the same below) and religious believers from outside the border donate without any conditions attached.

Article 38. When religious bodies or figures invite religious organizations or personnel from outside the border for visits or go abroad on invitation, it is necessary to deal

with these matters in accordance with the relevant provisions of the autonomous regional people's government.

When nonreligious bodies invite or entertain religious bodies or figures from outside the border for visits and tourism, they should notify the religious affairs department. No department is allowed to sign external cooperation projects containing conditions of religious content.

Article 39. Religious bodies, places of religious activities, and individuals are not allowed, by any means, to ask for money or goods from religious organizations or personnel from outside the border, to accept religious allowances or missionary funds which the religious bodies or personnel give with the aim of infiltration, or to accept and spread the instructions of religious bodies and personnel from outside the border.

Chapter VII: Penalties

Article 40. If a place of religious activities violates these regulations, the religious affairs department of the people's government at the county level or above will issue a warning, order cessation of activities within a definite time, cancel registration, or recommend other penalties to the people's government in accordance with the seriousness of the case.

Those carrying out illegal activities in the name of religion will be halted by the religious affairs department of the people's government at the county level or above in accordance with the law; violations of the "Regulations of the PRC on Managing Social Order and Meting Out Punishments" will be dealt with by public security organs in accordance with the law; and, if the violations constitute crimes, judicial organs shall determine criminal responsibility in accordance with the law.

Those parties that are dissatisfied with decisions on disciplinary actions may apply for administrative consideration or file administrative lawsuits in accordance with the provisions of the relevant laws, rules, and regulations.

Article 41. If the legitimate rights and interests of religious bodies, places of religious activities, and religious followers are infringed upon in violation of these regulations, the religious affairs department of the people's government at the county level or above shall ask the people's government at the corresponding level to order the cessation of the infringement activities. Should economic losses occur, they shall be compensated for in accordance with the relevant state provisions; and the judicial organs may also investigate and affix legal responsibility in accordance with the law.

Chapter VIII: Supplementary Provisions

Article 42. The religious affairs department of the autonomous region shall be responsible for interpreting these regulations.

Article 43. These regulations shall take effect on the date of their promulgation.

Former Hainan Deputy Secretary General Tried

HK3105140994 Beijing ZHONGGUO XINWEN
SHE in English 1239 GMT 31 May 94

[Text] Haikou, May 31 (CNS)—The Haikou Intermediate People's Court began to try a case this morning in which the former deputy secretary-general of the Hainan provincial government Li Shanyou was charged with committing frame-up and accepting bribes.

The defendant, a native of Zhangjiakou, Hebei Province, was former deputy secretary-general of the provincial government, deputy director of the Hainan Securities Supervision Commission and deputy head of a leading team of the reform of the shareholding practice. He was accused of collecting false information on conduct of the former governor known by his surname as Liu since 1992. He later incited a person to forge evidence to frame the former governor. The fabrication was finally uncovered, and Li was arrested in August last year on a charge of frame-up. During the interrogation, Li admitted that he had accepted shares and cash worth a total of RMB510,000 [renminbi] from three shareholding companies as bribes during his tenure as the deputy director of the securities commission. The Haikou People's Procuratorate lodged prosecution against him on charges of frame-up and bribe taking with the intermediate court on May 16.

During the public trial today Li confessed to all charges against him, and a verdict will soon be passed on the defendant by the court.

North Region

Beijing Secretary on Problems of State-Owned Enterprises

SK0106095994 Beijing BEIJING RIBAO in
Chinese 22 May 94 p 1

[Text] On 21 May, the key theoretical study group of the municipal party committee and the municipal government held a report meeting on studying the "decision" adopted at the third plenary session of the 14th party Central Committee. Comrade Wang Zhongyu, chairman of the State Economic and Trade Commission, delivered a report "on further giving considerations to the issues of achieving state-owned enterprises." Chen Xitong, secretary of the municipal party committee, attended the report meeting. Li Zhijian, deputy secretary of the municipal party committee, chaired the meeting.

Comrade Wang Zhongyu pointed out in his report: State-owned enterprises, as the pillar of the national economy, have made great contributions to reform. The reform of state-owned enterprises is the key and a difficult point of economic system reform. The party Central Committee and the State Council have paid full attention to the problems of state-owned enterprises.

Comrade Wang Zhongyu introduced: The current development trend of state-owned enterprises is very good. The

situation of enterprises has been improved. These enterprises' real profits have noticeably increased. The number of money-losing state-owned enterprises has really been reduced. In line with the situation that the number of money-losing state-owned enterprises is to be expanded and the amounts of deficits are to increase this year, Comrade Wang Zhongyu said: All this results from the facts that since the implementation of "the general rule for enterprises' financial affairs," "the criterion for enterprises' accounting," and the law on manufacturing costs from last July, state-owned enterprises have increased the depreciation rate of enterprises' equipment and have had to transfer some funds from enterprises' profits, such as long-term loan interests, newly added wages, and bonuses, to production costs. Although this has caused a decrease in enterprises' profits as kept in their accounts, changed some enterprises from ones with small profits into ones with deficits and from ones with covert deficits into ones with overt deficits, the enterprises' real results have increased.

Comrade Wang Zhongyu stressed: We should pay high attention to the difficulties and problems that state-owned enterprises are confronted with, and conscientiously solve these difficulties and problems. He analyzed the reasons for causing some enterprises' deficits, suspension of production, operation under capacity, and strain on capital; and then pointed out that state-owned enterprises have prospects and are able to enliven themselves.

In regard to the issue of how to achieve state-owned enterprises, Comrade Wang Zhongyu said: First, state-owned enterprises should change their ideas to suit the changes in the socialist market economic situation. Second, we should grasp favorable opportunities to deepen reform and to comprehensively reform the auxiliary systems, make key breakthroughs, and set up new restriction and encouragement mechanisms for enterprises. Third, according to different actual conditions, we should work out countermeasures to help state-owned enterprises handle their major and difficult problems. Fourth, we should expand the dynamics of technological reform and accelerate the readjustment of structures. Fifth, we should strengthen enterprise management and comprehensively upgrade enterprises' quality. Sixth, we should create conditions to set up a modern enterprise system and to promote the implementation of this system in a step-by-step manner. Seventh, we should set up a social guarantee system to create external conditions for deepening enterprises' reform.

Chen Xitong made a speech at the report meeting. He said: Setting up the frame of the socialist market economic system is a long-term and arduous task. So, we should not only grasp favorable opportunities to speed up the pace of reform but also make progress step by step. Advancing step-by-step is a special feature and an advantage of China's reform. This is a successful experience to stably push the large ship of reform forward.

He also said: State-owned enterprises are our foundation. Enterprises are still the standpoints of the overall reform. If we fail to enliven state-owned enterprises, it will be

impossible for us to make a success in reform. The overall situation at present is not bad. We should try every possible means to help enliven the enterprises with difficulties so long as they have markets for their products and have efficiency. This is conducive to maintaining stability. The central authorities, the municipal party committee, and the municipal government have paid attention to the difficulties of state-owned enterprises. They have adopted many measures to help resolve their difficulties. Simultaneously, enterprises should be inspired with enthusiasm, strive to make explorations, and make efforts to study the problems of their own. Only by so doing will they be able to resolve their difficulties and problems and will we be able to attain our targets.

Present at the meeting were leading comrades of the municipal party committee and the municipal government, including Chen Guangwen and Wang Baosen; responsible comrades of the departments, commissions, and offices under the municipal party committee and the municipal government; and secretaries of party committees of the bureaus, general companies, and some large plants under the industrial work commission of the municipal party committee.

Hebei Secretary Discusses Opening Up

SK2705121494 Shijiazhuang HEBEI RIBAO in Chinese 12 May p 1

[Text] Following are excerpts of a speech made by Chen Weigao, secretary of the provincial party committee, at the provincial work conference on opening up on 11 May:

1. Clearly Discern the Situation and Further Enhance the Sense of Emergency in Broadening the Opening Up

Over the past few years, Hebei Province has done a great deal of work in opening the province to the outside world and scored marked achievements in some fields. However, the work in this regard has not been ideal. In particular, the development achieved in this regard since the beginning of this year has brooked no optimism. The work done in the first quarter can be summarized as the following three sentences: The exports of foreign trade showed a stable increase. The introduction of foreign capital decreased on a large scale. The work of foreign economic relations was not improved. Of the work of the "three foreign", except for the foreign trade in which the province is hopeful to fulfill the target set in the "work outline of the provincial party committee", the work in other two fields has lagged far behind. If we fail to conduct it well, there is a danger that nothing will come of it.

In view of the entire country, the opening up with the utilization of foreign capital as a mainstay has entered a new stage. Major indicators in this regard are as follows: The work of opening up has been further suitable to the economic mechanism of international markets. The practice of bringing in foreign capital has been gradually expanded from industries most of which are of manufacturing ones to basic industries, service industry, and industries of building infrastructures. The target and style of investments have incurred a large change. The investment

made in industrial capital has been gradually expanded to that made in banking affairs. The per-project investment has gradually developed into a systematic one. These new changes are either opportunities or challenges for us. The current and actual situation of the province has shown that the dynamics and extent in the opening up work have not been sufficient and become the factors that are restricting the deepening of reform and the accelerating of development. We must further enhance the sense of emergency in opening up and make all-out efforts to create a new situation in the work in this regard.

2. Realistically Do a Good Job in Grasping the Three Big Events of Opening Up

The first big event is to uphold the principle of paying simultaneous attention to enrichment and improvement and to accelerate the pace of building up the development zones. By judging from the analysis of the situation prevailing in the 19 state-and-province-run economic and technical development zones throughout the province, although party committees and governments at all levels as well as departments concerned have done a great deal of work in developing these zones, generally speaking the work done in this regard is still not ideal. Except for few of them that have been better run, most of them have not achieved large development. The currently urgent task in building up the development zones is not to increase the number of these zones but is to persistently pay simultaneous attention to enriching and improving them based on the existing zones and to accelerate the pace of building them up. Paying simultaneous attention to enrichment and improvement in this regard means that in building up these development zones, it is necessary to earnestly implement the strategy set by the provincial party committee and the provincial people's government with regard to having the export-oriented economy bring along the development. We should adhere to the principle of operating the development zones with "foreign capital, industries, and exports" as mainstays. Efforts should be made to strive to have the initially-built development zones be near to or basically fulfill the following targets through the efforts of three or five years: 1) The utilization of funds with the combination between domestic and foreign ones and foreign capital should be regarded as the main, 2) The final outlet of products should chiefly turn toward exports or sales in foreign countries, 3) The character of enterprises should be chiefly of joint venture and cooperation, 4) In selecting and allocating industrial enterprises, we should take as a support the industrial enterprises whose products are with high added value and which are engaging in the intensified processing of natural resources and regard as a main guidance the knowledge-intensive and high-and-new tech industrial enterprises, 5) In economic operation, we should connect the standardized market mechanism with the international markets and try doing things in line with the international conventions, 6) We should train a large number of managerial talented personnel who know well the economy involved in foreign countries.

In building development zones, we should proceed from the local reality and explore multi-channels to accelerate

the development in this regard. Through the setting up of economic and technical associations with domestic cities and enterprises and the breakthrough made in bringing in foreign capital and technologies, the economic and technical development zone of Qinhuangdao city has worked a way of development by "integrating its economic associations with the introduction of foreign capital and technologies". Its experience gained in this regard is worthy of drawing on. The economic and technical development zone of Langfang city has become a typical city in the province due to its fast development and best management fostered by upholding the principle of doing things according to the market law as well as by "bringing in capital to open projects, making money through using the land resources, raising funds through multi-channels, and achieving snowballing development". It is hoped that various localities should earnestly study their successful experiences and do a good job in operating their development zones.

The second big event is to rapidly make a breakthrough in utilizing foreign capital to conduct technical grafting and renovations among the out-dated enterprises. This important channel of utilizing foreign funds, with many advantages, may relieve the strained situation of funds among enterprises, may bring in advanced technologies and management, is helpful for shifting the business mechanism of enterprises, and may score dual results in both reform and renovations. The main reason why the province has taken so long to make a step in this regard is still the fetter of leftist concept. Under such a concept, localities are worrying that too much work in this regard would adversely affect the main-body role of state-owned enterprises and are afraid of being labelled with engaging in "privatization". They are also afraid of being labelled with "national betrayal" due to their transfer of some property rights of the state-owned enterprises. Some people also are afraid of being labelled with "the outflow of state interests" because joint venture and cooperation will be enforced among the profit-making enterprises. Some plant directors (managers) are also afraid of losing their official posts while conducting joint venture and cooperation. However, the crucial point in this regard is the subconscious worry of being "capitalist" or "socialist". The basic form of utilizing foreign capital to conduct technical grafting and renovations among the out-dated enterprises is the shareholding system that is a managerial style of assets and does not involve in the issue of being "capitalist" or "socialist". The first important task at present still is to further emancipate minds and to eliminate the "leftist" fetter.

We should earnestly study the policies on utilizing foreign capital to conduct technical grafting and renovations among the out-dated enterprises. Principles to determine which industry and enterprise should first utilize the foreign capital to conduct technical grafting and renovations, which industry and enterprise should have control shares, and which industry and enterprise can allow foreign firms to have control shares or to buy their whole shares, should be defined according to the province's strategy of economic development, according to the demand of readjusting the industrial structure, and in line

with the role played by the industry and enterprise in the state plan and people's life. In the view of an enterprise, major difficult points and problems for making a decision in this regard include asset appraisal, the burdens of enterprises' debts, and the living arrangements for surplus staff members and workers. In dealing with these problems, we may follow many successful experiences gained by the province in this regard and draw on the good methods fostered by the fraternal provinces. The key to successfully handling them lies in whether we dare to or are willing to study these experiences and methods. As long as these methods can maintain and increase the value of state assets, we should actively and boldly adopt them and further improve them in a creative way in the course of practice. The provincial level departments concerned should work out specific policies and methods that are practically feasible and with strong serviceability.

We should straighten out the systems and enhance the organizational leadership. In viewing the utilization of foreign capital for conducting technical grafting and renovations among the out-dated enterprises characteristically, it means that enterprises will have one more channel of raising funds for technical renovations. Therefore, the task in this regard can be more smoothly managed by the provincial economic commission. There are almost 2,000 state-owned budgetary enterprises and more than 1,000 backbone enterprises run by the collectives of both urban and rural areas throughout the province. Therefore, we should carry out general investigation among them and form a line according to their conditions so as to determine the number of out-dated enterprises that may allow the enforcement of joint venture, cooperation, and technical grafting and renovations. After the number is fixed, we should force the enterprises to take up the enforcement and regard the enforcement as a formidable mission. From this year on, we should establish a strict responsibility system for the enforcement and have the enforcement be fulfilled within three years.

The third big event is to vigorously conduct the work of inviting business and introducing foreign capital by regarding as a focal point the seeking of large business partners and the talks of large projects. By judging from the comprehensive analysis on the current world situation in politics and the economy and on the steady deepening of reform, the rapid economic development, and the social and political stability in the country, the emphasis of utilizing foreign capital in next period should be placed on attracting the investments of large financial groups and large transnational corporations and on conducting joint venture and cooperation with them. In inviting foreign business we should adhere to the principle of introducing large, medium-sized, and small business projects simultaneously. However, priority should be given to seeking large business partners and holding talks on large projects. Leading comrades should go out to look for various relations, to establish ties with the large partners, and to strive to conduct cooperation with the large financial groups and large transnational corporations that are economically strong. Establishing ties with a large number of large business partners will play a role of getting twice the

result with half the effort. We should establish the archives of large business partners and the responsibility system for personnel who have dealings with the large partners. We should conduct propaganda patiently, deeply, protractedly, and honestly among the large business partners and render services for them so as to enable them to feel that they are possessing the successful conditions and confident in conducting cooperation with the province.

3. Vigorously Improve the Environment of Opening Up and Particularly the Intangible Environment To Promote the Quickened Development of the Export-Oriented Economy

Over the years, the province has always attached great importance on the improvement of the investment environment. The tangible environment that includes the infrastructures of communications, energy resources, and telecommunications, has been obviously improved. The intangible environment of opening up has also been gradually improved. However, both tangible and intangible environments are far from the demands of opening the province to the outside world in a big way. In particular, the gap between the intangible environment and the demands is even larger and it has more problems. Particularly in the course of developing the export-oriented economy, ideology and concept are out of date; the level of business talks is low; the rhythm of work is slow; obstacles in the cooperation are many; and the observance of promises is poor. Thus, great attention should be paid to concentrating efforts on enhancing the one sense, perfecting the three large systems, improving the three environments, and reinforcing the one contingent of entrepreneurs in this regard.

Enhancing the one sense means to enhance the sense of the whole people in opening up. Improving the intangible environment of opening up includes either the act taken by the government or the undertaking taken by the whole people, on which the society as a whole should attach great importance. We should truly foster a common understanding in which "every person poses as an investment environment, every thing represents the image of credit, every locality is involved in the opening up". We should also foster a strong sense of opening up and realistically integrate everything done by localities and local departments and personnel and particularly by the personnel involved in the business with foreign countries closely with the work of improving the environment of opening up, with the work of fostering and improving the province's image, and with the work of accelerating the pace of building Hebei into a strong province in the economy.

The three large systems that should be perfected are as follows: The first is the system of rendering fine-quality and high-efficiency services for the business with foreign countries. Every department in service of the business with foreign countries, by regarding the transformation of function and work style as a target, should upgrade the political and professional quality of service personnel and the quality and efficiency of services; reinforce the service function; and broaden the service fields. Efforts should be made to accelerate the establishment and improvement of

the social service organizations, including the offices of accountants, lawyers, and advisers, and to provide good services for the broadening of opening up. The second is the system of the policies on the business with foreign countries and the system of laws and regulations that are conforming with international conventions. We should earnestly formulate or revise and work out as soon as possible policies and provisions for the province to encourage foreign firms to invest their money in the province. The third is the system of obtaining sensitive and first-hand information.

The three environments that should be improved are as follows: First, the social environment should be further improved. Efforts should be made to vigorously enhance the building of spiritual civilization, to deeply and protractedly carry out the struggle against corruption, and to strengthen the comprehensive management of public security. Second, the financial environment should be emphatically improved. Various financial departments should concentrate their efforts on enlivening the circulation of funds, vigorously open the sources of funds, and increase the loans and support for the "three types of foreign-funded" enterprises. They should also improve the financial service for the business with foreign countries and strive to establish foreign-funded and joint-venture financial organs or agents among the open cities throughout the province. Third, the environment of applying to customs should be improved as quickly as possible. Various relevant cities, prefectures, and port commissions and offices at all levels should grasp the enhancement of building up the port areas by regarding the enhancement as an important measure of improving the investment environment, attracting outside funds, and making the province's economy prosperous. Efforts should be made to improve the managerial systems of port offices, relax the conditions on the transportation of goods transfer, simplify the procedure of inspection, and upgrade the working efficiency.

Reinforcing the one contingent of entrepreneurs means that enterprises are the main body of opening the province to the outside world and that bringing in foreign capital should chiefly rely on the operation of enterprises. In a sense, the market economy is an economy run by entrepreneurs. Broadening the opening up, enforcing the strategy of having the export-oriented economy bring along development, and developing the export-oriented economy require a large number of entrepreneurs who know well the international conventions and the world economy. It is impossible to develop the export-oriented economy without the grand contingent of entrepreneurs who are engaging in the business with foreign countries and without high-quality partners for joint venture and cooperation with foreign countries. The province has possessed a quite large contingent of entrepreneurs. However, its quality as a whole is not high enough. In particular, talented personnel engaging in the work of high science and technology and in the high-level management are so few. Those who know well the foreign economic relations and foreign trade are also so few. Those who have a good command of laws, are good at business and management, and are proficient in foreign languages, are even more few.

We must adopt effective measures to accelerate the training and forging of the contingent of entrepreneurs engaging in business with foreign countries.

Hebei Checks Illegal Transit of Textile Products

SK0106055494 Shijiazhuang HEBEI RIBAO in Chinese 21 May 94 p 1

[By correspondent Wang Shuzheng (3769 2885 2973) and Reporter Li Shujia (2621 1859 0163): "Resolutely Crack Down on and Stop the Illegal Transit of Textile Products"]

[Text] It was proposed at the provincial meeting on cracking down on and stopping the illegal trafficking of textile products held today that resolute efforts should be made to crack down on and stop the illegal trafficking of textile products. At the same time, it also warned enterprises to strictly guard against being fooled while dealing with the business of exports of textile products.

It was learned that some enterprises have failed to pay sufficient attention to the importance of cracking down on the illegal trafficking of textile products and the relevant policies. A small number of enterprises still have the idea of relying on luck and believe that illegal trafficking of textile products will not occur in their enterprises. Some enterprises, particularly the "three types of foreign-funded" enterprises, township enterprises, business companies which have newly been granted the rights to free management, and production enterprises know little about the relevant policies and situations.

The illegal trafficking of textile products has not only violated our country's relevant laws and regulations but also the international agreements and the relevant bilateral agreements, seriously sabotaging China's export order, creating a bad influence externally, and seriously damaging the interests of the state.

The meeting proposed: If our province's relevant enterprises are found to be involved in illegal trafficking of textile products, they will be criticized in a circular and their illicit gains and goods will be confiscated. They will also be punished with fines, have their textile product quota cut, and have their customs declaration right and their textile products export operational right temporarily suspended or abolished. At the same time, persons responsible will be questioned. If their cases are exceptionally serious, and they are found to have created great losses to the state and violated criminal law, they will be transferred to judicial organs to have their criminal liabilities investigated.

Inner Mongolia's Hohhot Holds Open Trial for Criminals

SK0106111994 Hohhot NEIMENGGU RIBAO in Chinese 17 May 94 p 1

[Text] On 13 May the Hohhot city intermediate court held an open trial for a large number of criminal elements who had committed the serious crimes of embezzlement, bribe acceptance, and offenders.

During the open trial, the city intermediate court sentenced a 20-year imprisonment with a 3-year deprivation of political rights to Liu Yuming, who had committed the crimes of diverting and embezzling public funds. A 10-year imprisonment with a 3-year deprivation of political rights, was the court sentence for Niu Zilin, who was the former director of the first branch office under the Hohhot central branch of People's Construction Bank of China and had committed the crimes of receiving bribes and embezzling the public funds. It also sentenced a 6-year imprisonment to Yang Changbiao, who was the former director of the loan section under the Hohhot central branch of People's Construction Bank of China and had committed the crimes of receiving bribes and embezzling the public funds; and Guo Yan, who was the staffer of the laboring service company under the Hohhot central branch of People's Construction Bank of China and had committed the crimes of being a broker of bribes, to 3-year imprisonment with 4-year's probation.

Liu Yuming, the former director of the small local branch on Beir Road under the second Hohhot branch of People's Construction Bank of China, successively diverted 2.551 million yuan of public funds by taking advantage of his post and right and lending them to others. Prior to the exposure of the case, he returned 927,000 yuan to the branch and after the case, he also returned 1.492 million yuan to it. Up to present, he still owes 101,800 yuan to the branch.

During the open trial, the city intermediate court also sentenced Sui Guizhen, a robbery convict; Zhang Xuefei, an intentional murder convict; and Tian Yunfeng, Xie Weimin, and Shen Yuming, convicts of robbery, murder, and rape; to the death penalty with the lifelong deprivation of political rights.

Inner Mongolian Railway Line Opens to Traffic

SK0106041994 Hohhot NEIMENGGU RIBAO in Chinese 19 May 94 p 1

[By Reporters Zhang Zhedong (1728 0772 2767) and Zha Musu (2089 1606 5685) and Correspondent Mu Ren (3668 0088): "The Whole Jining-Tongliao Railway Line Has Been Opened To Traffic"]

[Excerpt] Representing both construction sides, Wang Qun, secretary of the autonomous regional party committee and Sun Yongfu, vice minister at the State Ministry of Railways, laid at 1000 on 18 May, the last railway track for the Jining-Tongliao railway line, the longest local railway line in China. That moment marked the conclusion of three years and 10 months of valiant struggle to open the whole railway line to traffic, and the conclusion of Inner Mongolia's history of having no local railway line within its hinterland. This railway line is 943 kilometers in length, and total investment in this railway line is 1.8 billion yuan.

The Jining-Tongliao railway line was built with investment cooperatively offered by the autonomous regional people's government and the Ministry of Railways. It is the longest

local railway line in China. Construction on this railway line was completed in four years, this May, one year ahead of schedule.

Song Zhimin, vice chairman of the regional government, chaired the ceremony to celebrate the connection of the last track in Linxi. Wang Qun, secretary of the regional party committee; Zhang Yongfu, vice minister at the Ministry of Railways; Chen Puru, honorary president of the national local railways association; Li Xiangyi, general manager of the Inner Mongolia local railway company; and representatives of road construction model workers cut the ribbons for the track connecting ceremony. Shen Shuji, vice chairman of the regional government, made a speech at the ceremony. [passage omitted]

Inner Mongolian Economic News Channel Begins Service

SK0106063694 Hohhot NEIMENGGU RIBAO in Chinese 17 May 94 p 1

[Text] Through the year-long arrangements and construction, the Neimenggu economic radio and television broadcasting station has basically completed preparations for transmitting its economic television programs that will be presented with an entirely new look to the broad masses of viewers on 18 May.

While deepening its internal reform and accelerating its business development, the autonomous regional radio and television broadcasting department, decided in May 1993 to establish a new mass medium, the Neimenggu economic radio and television broadcasting station, responsible for its own income and expense. This was then approved by the autonomous regional people's government and the Ministry of Radio, Film, and Television. Thanks to the year of effort and the enthusiastic support and assistance given by various social circles, the preparation and construction work for this station has been completed. On 18 May, the station will transmit its economic TV programs on a trial basis on channel 26 and its programs will be joined by Neimenggu and Hohhot cable television broadcasting stations as it is fed into the broadcasting network. In addition to the daily relay of the "news hookup" from the central broadcasting station, the region's economic television station will transmit "children cartoons", "television theater", "US television programs digest", and "well-selected domestic and foreign films and TV programs". It will also provide its own columns, such as "economic news", "economic hot line", "information slot", "ETV evening service", "dream about factories", "health guidance", "reporter being beside you", and "regular weekend train".

Tianjin Party Leader on City's Development Strategy

OW0106022794 Beijing XINHUA in English 0143 GMT 1 Jun 94

[Text] Tianjin, June 1 (XINHUA)—China's third biggest city Tianjin will be built into a commercial and trade center in northern China through a 20-year effort, Gao

Dezhan, secretary of the municipal committee of the Communist Party of China, recently told XINHUA.

Once known as the country's second biggest business and banking center next to Shanghai, Tianjin is now taking a number of forceful steps in an overall development strategy to restore its prestige, the official said.

In the coming two years, Gao said, Tianjin will focus its effort on building 10 more influential markets for banking, labor, technology and information, real estate and enterprise property transference.

So far it has built and put into operation some 28 national and regional markets for various commodities and means of production.

Tianjin will also boost the development of township enterprises and overseas-funded joint ventures, he said, adding that the pace of state-owned enterprise restructuring will be quickened as well.

In addition, the city will accelerate the building of some major projects such as the auto industrial company with an annual output of 150,000 autos and the 140,000-ton ethylene and 200,000-ton polyester production plants. The construction of the Tianjin seaside development area will also be accelerated.

Gao, past governor of northeast China's Jilin Province and forestry minister, said Tianjin now has four major industries of machinery, electronics, chemicals and metallurgy with an output value accounting for 70 percent of the city's industrial total.

And by the year 1996, he said, the city's profit and tax are expected to double the amount of last year, to exceed 11 billion yuan.

In the development of China's Bohai Bay economic rim and the Beijing-Tianjin economic ring, Tianjin will play an important role, the official said.

Tianjin Becoming North's Largest Financial Center

OW2905024494 Beijing XINHUA in English 0211 GMT 29 May 94

[Text] Tianjin, May 29 (XINHUA)—Tianjin, a leading port city and manufacturing center in north China, is becoming the largest financial center in the area.

Shi Jiliang, governor of the Tianjin branch of the People's Bank of China, the country's central bank, said that money raised in the Tianjin financial market amounted to 36.6 billion yuan in 1993, next only to the financial market in Shanghai.

He said that Tianjin ranks second among the eight largest financial markets in China—Shanghai, Tianjin, Beijing, Guangzhou, Xian, Chongqing, Wuhan and Shenyang.

Tianjin currently has 1,598 financial institutions, including 1,048 banks, employing a total of 34,000 people.

Governor Shi described the financial sector as a "driving force" behind Tianjin's economic growth.

"Tianjin's financial sector has continued its strong growth since the beginning of this year," he said.

For example, banks in the city took in 65 billion yuan in savings deposits and extended 80 billion yuan in loans in the first four months of 1994.

Shi said that the rapid growth of the financial sector was due primarily to the reform of the financial system over the past few years.

As a result, Tianjin has introduced a new financial system, with the state-owned banks as the mainstay, and non-banking institutions and foreign banks as the subsidiary.

The system also consists of an inter-bank borrowing and lending market, a securities market and a foreign exchange swap market.

To date, financial institutions in other parts of China have set up 38 subsidiaries in Tianjin, Shi said.

Since October 1992 banks from Britain, France and the United States have opened 12 branches in Tianjin, he added.

The Tianjin securities trading center now has 300 trading seats, three trading halls and 213 members, he said, adding that 5.6 billion worth of treasury bonds changed hands there in the first quarter of 1994.

"The foreign exchange market in Tianjin is brisk, too," Shi said.

In the first four months of this year, about 500 million U.S. dollars changed hands in the Tianjin foreign exchange swap center, providing an impetus to the growth of foreign-funded firms and export-led companies, he said.

Speaking of the financial reform, Shi Jiliang said that it is imperative to improve macro-economic control means and the financial market, and introduce an efficient operational system in specialized state-owned banks.

To this end, existing specialized banks will be turned into commercial banks, a financial supervisory system instituted and intermediate financial agencies established, he said.

He also revealed that Tianjin plans to open the country's third stock exchange in the future, after Shanghai and Shenzhen.

Foreign-Funded Enterprises Become Prominent in Tianjin

OW0106073194 Beijing XINHUA in English 0703
GMT 1 Jun 94

[Text] Tianjin, June 1 (XINHUA)—Foreign-funded enterprises are taking an increasingly important role in the economy of this north China port city, according to the foreign-funded enterprises list for 1993 released by the Tianjin Statistics Bureau Tuesday [31 May].

According to the list, there were 56 foreign-funded enterprises last year with sales value of over 50 million yuan (about 5.7 million U.S. dollars) each. Their total sales value reached 11 billion yuan (about 1.26 billion U.S. dollars).

A Sino-American joint venture, the Tianjin Otis Elevator Co. Ltd, is at the top of the list, with over one billion U.S. dollars-worth of annual sales.

Many of the listed enterprises are world-famous transnational companies like America's Motorola, Philip Morris and Coca-Cola, Japan's NEC, Honda and Yamaha, France's Hennessy and Italy's Zanussi.

The products of these foreign-funded enterprises vary from food, machinery and medicines to clothes, with most of them becoming hot sellers in Mainland China.

In the first four months of this year foreign-funded enterprises in Tianjin continued to boom, with sales income increasing 1.17 times over the same period of last year.

So far, the number of contracted foreign-funded enterprises has reached 7,000.

Tianjin Commodities Export Fair Opens

OW2805144594 Beijing XINHUA in English 1424
GMT 28 May 94

[Text] Tianjin, May 28 (XINHUA)—Companies from the Republic of Korea and Hong Kong and 325 enterprises from 26 provinces and municipalities within China are taking part in the 1994 Tianjin export commodities fair, which opened here today and will last for a week.

Commodities on show at the fair, the largest annual local export fair in northern China, cover more than a dozen ranges, including grain and oil, local produce and livestock products, light industry products, cultural and sports products, textile products, and chemical and pharmaceutical products.

Officials from the organizing committee said that some 3,000 overseas businessmen are expected to come to the fair in the coming few days.

The officials said that the trade volume at the fair is expected to top 400 million U.S. dollars. Talks on Sino-foreign cooperation or joint venture projects will also be held.

The fair, which was started five years ago, has been jointly organized by a dozen provinces in north-west, south-west and northern China.

Northeast Region

Heilongjiang Secretary Pays Official Visit to CPPCC

SK3105054794 Harbin Heilongjiang People's
Radio Network in Mandarin 1000 GMT 30 May 94

[Text] This morning, Yue Qifeng, secretary of the provincial party committee, accompanied by Tian Feigshan,

Shan Rongfan, and Wang Xianmin, paid an official visit to the provincial Committee of the Chinese People's Political Consultative Conference [CPPCC], and met with and extensively exchanged views with comrades of the provincial CPPCC Committee and responsible persons of various democratic parties.

Zhou Wenhua, chairman of the provincial CPPCC Committee; Vice Governor Zhou Tienong; Huang Feng, Dai Moan, Fu Shiyang, Chen Wenzhi, Tan Fangzhi, Zhao Shijie, Chen Zhanyuan, Wang Zhitian, Wu Dinghe, vice chairmen of the provincial CPPCC Committee; and Zhang Huanchen, secretary general of the provincial CPPCC Committee, joined the visit.

Yue Qifeng said: The CPPCC system is the basic political system of our country. In the new situation, it is worthy of exploring and studying how to give better play to the role of the CPPCC. All democratic parties should act in line with the basic line centering on one central task and two basic points, give play to their own advantages, and promote reform, opening up, and economic development. He said: The CPPCC organizations and various democratic parties should also deeply study volume no. 3 of the *Selected Works of Deng Xiaoping*, clear up old ideas and concepts in line with reality, put forward and study issues with the market economic mode of thinking, and provide basis and reference for the provincial party committee and government to make scientific policy decisions.

Yue Qifeng said: Heilongjiang has a fairly great number of state-owned large and medium-sized enterprises. This is our great wealth. While grasping this financial resource, we should also develop new ones, namely the development of nonstate economic sector, such as township enterprises.

Yue Qifeng pointed out: The waste of trained personnel is the greatest waste. Large and medium-sized enterprises have a galaxy of trained personnel, however, their role cannot be given full play. If we release some trained personnel to run nongovernmental enterprises, great results will be achieved. Heilongjiang has a considerable number of colleges, universities, and scientific research centers and institutes with the advantage of trained personnel. We should give full play to this advantage, and use the rich natural resources of Heilongjiang to develop intensive processing industry as well as high-and new-technology enterprises. It is hoped that the CPPCC and various democratic parties will give play to their role in this aspect.

Yue Qifeng Discusses Development of Heilongjiang

SK0106093994 Harbin Heilongjiang People's
Radio Network in Mandarin 1000 GMT 31 May 94

[Text] On 31 May, accompanied by Wang Xianmin, standing committee member and secretary general of the provincial party committee, Yue Qifeng, secretary of the provincial party committee, visited the office of the provincial government, met with responsible comrades of the provincial government and its overall departments,

exchanged ideas with them, and discussed with them the great matter of developing Heilongjiang.

Tian Fengshan, acting governor of the provincial government; and Cong Fukui, Zhou Tienong, Yang Zhihai, and Wang Zongzhang, vice governors of the provincial government, were present at the meeting.

Yue Qifeng said that we should further deeply study the third volume of the *Selected Works of Deng Xiaoping* and use the theory on building the socialism with Chinese characteristics to liberate and arm our ideas and to guide our work.

Yue Qifeng said: How to strengthen and improve the leadership of the party is also an important issue. We should bring into full play the functions of the government and its functional departments. The provincial party committee will go all out to support the work of the government.

In regard to the economic work, Yue Qifeng said: I agree to the ideology of extension in five aspects and acceleration in two aspects. The key is [words indistinct]. To really target and see results, we should emancipate the mind and change our ideas, the party as a whole should be mobilized, and all people should go into action. It is necessary to achieve the transformation and reform of state-owned large and medium-sized enterprises and to develop agriculture. We should also cultivate new economic growing points and pioneer the second battle field for the economy. That is, we should vigorously develop town and township enterprises, the industries run by districts and neighborhood committees, private and individual enterprises, three types of foreign-funded enterprises, the tertiary industry, and new high-tech enterprises. The governments at various levels should emancipate the mind, create conditions, offer policies to support the development of the enterprises and industries of these kinds. All departments should deeply conduct investigations and study and work out methods. Only by so doing will the ideology of five extensions and two accelerations not become an empty talk.

Yue Qifeng said: Local officers should do deeds for localities. We should pay attention to the development of the local economy. Only when the local economy is developed will the overall situation be better inspired.

Yue Qifeng said: How to build our party in the new historical period is an important task. The issues of what we should grasp to promote party building, who should grasp party building, and how to grasp party building should be explored. Viewing the general situation, we know that party building and the spiritual civilization are still two weak links at present. We should not only see that our party has prestige, combat effectiveness, and prospects but also not ignore the existing problems. So, we should persist in the principle of being sure that both hands are tough.

Acting Governor Tian Fengshan set forth requirements for the work of the provincial government.

He said: The major task of the provincial government is to implement to the letter the principles and policies of the party Central Committee and the State Council and the policy decisions of the provincial party committee. What is the most important task at present is that the leaders at various levels should concentrate their energy, be inspired with enthusiasm, be diligent in performing their official duties, quietly immerse themselves in hard work, and achieve their work in a down-to-earth manner. The leaders at various levels should go deep to the rural areas and enterprises, get in touch with the grass roots, and bravely overcome difficulties and solve problems. The government should embody the policy of taking a two-hand approach in dealing with its work, ensure the smooth implementation of government decrees; strengthen the improvement of administrative honesty and diligence, resolutely correct the unhealthy trends within trades, firmly foster the thinking of service, and build itself into a government with high efficiency and administrative honesty and enjoying prestige among the masses of the people.

Heilongjiang Congress Hears Reports on Local Regulations

SK3105100094 Harbin HEILONGJIANG RIBAO
in Chinese 18 May 94 p 1

[By reporter Wang Xuemei (3769 7185 2734): "Eighth Provincial People's Congress Holds Ninth Standing Committee Meeting"]

[Text] The ninth standing committee meeting of the eighth Provincial People's Congress opened at the conference room of the provincial people's congress on 17 May.

Li Genshen, vice chairman of the Provincial People's Congress standing committee, chaired the first joint session held that morning.

Attending were An Zhendong, Qi Guiyuan, Xie Yong, Du Xianzhong, and Liu Hanwu, vice chairmen, and Liu Tongnian, secretary general of the Provincial People's Congress standing committee.

The session heard an explanation on the "(draft) regulations of Heilongjiang Province on the management of economic information markets" given by Jiang Yidong [1203 0076 2767], deputy director of the provincial planning commission; an explanation of the "(draft) regulations of Heilongjiang Province on the inspection, supervision, and management of import and export commodities" given by Li Lianyu [2621 6647 3768], deputy director of the provincial commodity inspection bureau; an explanation on the "(draft) regulations of Heilongjiang Province on the management of construction markets" given by Dong Baode [5516 1405 1795], vice chairman of the provincial construction committee; an explanation on the "(draft) regulations of Heilongjiang Province on the management of farm machines" given by Jiang Guohua [1203 0948 5478], director of the provincial farm machinery bureau; an explanation on the "(draft) regulations of Heilongjiang Province on the trade unions of foreign-funded enterprises" given by Li Yan [2621 1750], secretary general of the legal system committee of the Provincial

People's Congress; an explanation on the "(draft) regulations of Heilongjiang Province on family planning" given by Wang Suyuan [3769 3307 3293], director of the provincial family planning commission; a report on the result in the discussions on the "(draft) regulations of Heilongjiang Province on family planning" given by Li Chunlin [2621 2504 2651], vice chairman of the education, science, culture, and health committee of the Provincial People's Congress; an explanation on the "(draft) revised method of Heilongjiang Province for implementing the 'PRC law on protecting the rights and interests of returned Overseas Chinese and their dependents'" given by Song Yu [1345 6877], deputy director of the provincial Overseas Chinese affairs office; a report on the result in the discussions on the "(draft) revised method of Heilongjiang Province for implementing the 'PRC law on protecting the rights and interests of returned Overseas Chinese and their dependents'" given by Wang Chengzhi [3769 2110 1807], vice chairman of the nationalities, Overseas Chinese affairs, and foreign affairs committee of the Provincial People's Congress; an explanation on the "(draft) revised several regulations of Heilongjiang Province on protecting the legal rights and interests of old people" given by Jiang Peng [1203 7720], vice chairman of the legal system committee of the Provincial People's Congress; a report on the general commodity price inspection given by Wang Dexin [3769 1779 2450], director of the provincial price bureau; a report on construction of the major waterway for international trade given by Chen Xuele [7115 7185 2867], deputy director of the provincial shipping bureau; a report on Heilongjiang's strict crackdown on serious criminal offenses given by Wang Shiming [3769 0099 2494], director of the provincial public security department; and a report summarizing Heilongjiang's county- and township-level end-of-term elections given by Liu Xiangqian [0491 0686 0467], deputy director of the provincial electoral office.

Heilongjiang Law Enforcement Group Inspects Province

SK3105122894 Shijiazhuang HEBEI RIBAO in
Chinese 21 May 94 p 1

[By Niu Hui Shuan (3662 2585 2633) and Su Shumei (5685 3219 2734): "The Social Safety Situation of the Whole Province is Basically Stable"]

[Text] In order to realistically guarantee political and social stability in our province, the Provincial People's Congress standing committee organized a law enforcement inspection group with Li Yongjin as the leader and Zhang Zhenhuan, Gao Yongtang, and Zhou Xinren as the deputy leaders to travel to Shijiazhuang city, Baoding city, Tangshan city, and Qinhuangdao city on 5-13 May to respectively inspect their situations in implementing the "decision of the National People's Congress standing committee on strengthening comprehensive management of social safety," and the "Hebei Provincial regulation on comprehensive management of social safety."

The inspection group held that our province has done much work in implementing the "decision" and the "regulation," and achieved noticeable results in the comprehensive management of social safety. The whole province, from the urban to the rural areas, has witnessed a basically stable social safety situation and the masses of people have generally enhanced their sense of safety, and promoted the sound development of reform, opening up, and economic construction. The main expressions are: first, leaders at all levels have paid great attention to social safety, and all localities have conducted activities aimed at social safety comprehensive management work every year, thus promoting the progress of the comprehensive management of public safety work. Second, we have established and improved the social safety comprehensive management organs and conscientiously implemented the system of having leaders assume responsibility. The system of having leaders assume full responsibility over comprehensive management of social safety work has been basically implemented in most localities. Third, the work of "dealing strict blows" and improving social safety has been unceasingly deepened and noticeable results, particularly in this year's "spring offensive" on dealing blows to all sorts of crimes, have been achieved. Fourth, all departments and all sectors have jointly grasped and managed this work, and the committees and units for comprehensive management of social safety have given play to their functions and roles, particularly the various public safety organs have played a key role in the comprehensive management of social safety work. Fifth, fairly big progress has been made in the basic work of the grass-roots level. We have reshuffled and replenished the safety and people's mediation organizations and established security joint-defense teams, patrol teams, and mass safety organizations in line with the needs. Many localities have formed mass safety management networks.

Through law enforcement inspection, the inspection group pointed out: At present, some destabilizing factors have still existed, and the social safety situation has remained severe. Criminal cases, particularly major criminal cases, are still in an upward trend in some localities and some repulsive phenomena and law-breaking acts, such as abducting and selling women and children, prostitution and patronizing prostitutes, and manufacturing and selling obscene articles, have appeared despite repeated prohibitions; "hot topics" which the masses have complaints have increased in number, and accidental events have occurred frequently. The problems of being "tough with one hand and soft with the other hand" and failing to effectively crack down on serious criminal offenses have still existed in some localities. Some localities are fairly weak in their basic work at the grass-roots level, and some of their social safety comprehensive management measures are not implemented well. According to the situation revealed in the inspection, the Provincial People's Congress standing committee called on all localities to act in line with the demands of the "decision," conscientiously implement the "regulation," comprehensively strengthen social safety comprehensive management work, and push it to a new stage.

Heilongjiang Article on Shareholding System

SK0106093594 Harbin HEILONGJIANG RIBAO
in Chinese 23 May 94 p 6

[Article by Sun Zhiwu (1327 1807 2976): "Issues on the Shareholding Transformation of State-Owned Enterprises and Measures To Address Them"]

[Text] The shareholding system is a form of enterprises' organization, which suits the needs of the socialist market economy and is effective in separating ownership from managerial power and pushing enterprises to the market. However, we have to probe and address the specific issues that still exist on how to make the shareholding transformation truly invigorate enterprises and how to operate state-owned property more effectively.

1. The issue on rationalizing the purposes and the behaviors. Motives are varied for people to feel enthusiastic for the shareholding transformation of enterprises. Individuals who buy stocks wish to become rich. Some enterprises conduct the shareholding transformation either for the purpose of raising funds to develop themselves and repay debts or for winning preferential policies, and others do so as they are ordered. Government departments chiefly want to promote reform or to show off their reform achievements. The objective existence of the various purposes of the shareholding transformation should be permitted, but effective policy and organizational measures should be drawn up to standardize the behaviors of the various sectors so that their purposes and behaviors will become rational and the healthy development of the shareholding transformation can be guaranteed.

This writer holds that the shareholding transformation of state-owned enterprises is, in essence, a reform of the organizational system of the ownership of state-owned assets and a change in the measures for operating the ownership of state-owned assets. The purpose of the reform, from the microeconomic viewpoints, is to suit the needs in developing the market economy and, through the change in the organizational form of state-owned assets, to rationalize enterprises' property right relations, determine the legal person status of enterprises, strengthen enterprises' internal mechanism of restraint, and manage the value of state-owned assets. From macroeconomic viewpoints, the purpose is to effectively develop the leading role of state economies, adjust the operating scope and structure of state-owned assets, establish a perfect monetary market system, and improve the mechanism for the optimal distribution of state-owned assets. When the purposes of the shareholding transformation of state-owned enterprises are clarified, we should, starting from the experimenting period of the reform, attach great importance to the organic combination of reform with development and with management and strengthen the specialized functions of the departments in charge of the ownership of state-owned assets and the macro-control and guiding role of the departments in charge of overall economic functions and the departments in charge of various trades, so that the

shareholding transformation will truly facilitate the change of enterprises' operating mechanism and the adjustment of the industrial structure.

2. The issue on defining property rights and appraising assets. Unclear enterprise property ownership is a common and major difficulty and obstacle to the current shareholding transformation. Under the traditional planned economy system, enterprises' property right relations and their administrative relations were identical, but the property ownership relations of many enterprises have become very complicated due to the several changes in the managerial system. In some enterprises, ownership has changed several times due to historical reasons. Their assets were first invested by collectives and then invested by local government departments. This plus their later implementation of the managerial system similar to local state-owned enterprises has resulted in the very unclear original property right relations and the great change in the property right owners, making it very complicated to define the property right. In addition, unified and clear policy regulations are lacking on the ownership of the property resulting from tax reduction and exemption and the definition of central and local ownership of state-owned property.

This writer holds that the definition of property right is a kind of policy work concerning not only the protection of the rights and interests of the ownership of state-owned property but also the appraisal of relevant historical policies. It requires that the state study and formulate unified policies.

When enterprises' property right is clarified, appraisals of assets are needed, which involve the standards for the appraisals and the measures for converting assets into shares. As far as specific work is concerned, there are two measures. One is converting assets into shares according to the original book value and using the income from selling the shares at higher prices to make up for the losses resulting from the appreciation of the assets after the appraisals. The other is converting the assets into shares according to their appraised value. This writer holds that the former is not a proper measure. First, the current shareholding transformation of state-owned enterprises is conducted on the basis of the newly established limited liability stock companies or limited liability companies. It is not meant to increase the funds and expand the original state-owned stock companies. Therefore, the transformation, in fact, consists of two stages: 1) making inventory of the original assets or some assets of enterprises and determining the current prices of the assets and 2) establishing new shareholding enterprises and canceling the original legal person status of enterprises. By then, the original assets of enterprises, as the property of the founders of the new enterprises, are invested in the new enterprises along with the property of other shareholders to become the capital of the new enterprises. The combination of the appraisals of enterprises' original assets with the fund raising of new enterprises embodies the principle of same profits for same shares, and assets should be converted into shares according to the current prices only. Second,

correct appraisals of assets and converting them into shares constitute the key to safeguarding the proper rights and interests of the various beneficiaries. If the original state-owned assets of enterprises are converted into shares according to the book value and the difference between the book value and the appraised value is made up for with the income from selling the shares at higher prices, the rights and interests of state-owned shareholders and other shareholders, no doubt, will be damaged.

3. The issue on converting the right to the use of state-owned land into shares. Many enterprises, especially large and medium-sized state-owned enterprises, take up large areas of land, and some of them are even located in the high-priced "golden" sections of cities. If all the land use right is converted into shares, the value of the assets of these enterprises will be doubled and redoubled, and the profit rate of the assets will definitely decline, which is detrimental for shareholding enterprises to attract investment from society when they issue shares. In doing their specific work, all localities have adopted fairly flexible ways to handle this issue. This writer holds that the essence of this issue is the optimization of the efficiency in operating the two types of state-owned assets (the original assets of state-owned enterprises and the right to the use of state-owned land). We should correctly distinguish the state-owned land used as assets and that used as resources and include the right to the use of the state-owned land that is converted into shares in the management of state-owned assets. Meanwhile, to improve the efficiency in using and operating state-owned land, the right to the use of state-owned land should be managed like enterprises, and companies specializing in the management of assets should be established to change the administrative management of assets.

An enterprise should consider two factors to determine whether to convert the land use right into shares. On the one hand, the advantage in converting land use right into shares is the increase in the state-owned capital of the enterprises transformed in line with the shareholding system and the reduction of cost resulting from the exemption of the new shareholding enterprises from paying rent for the land. The disadvantage is the decline of the profit rate of enterprise assets during the transformation, which makes the shares less attractive. On the other hand, when the land use right is not converted into shares, the shares of the enterprises become more attractive, but state-owned funds will decrease because the operation cost of the transformed new enterprises will increase after they pay rents for the land. Under such circumstances, initiators of the new shareholding enterprises will have to weigh the cost of fund raising upon establishment and the later cost of operation; and managers of the right to the use of state-owned land will have to weigh the collection of dividends and the collection of rents.

4. The issue on the shareholding transformation of some assets of enterprises. The shareholding transformation of state-owned enterprises can be conducted in two ways. One is transforming all the assets of the enterprises, which leads to the cancellation of the legal person status of the

enterprises. The other is transforming some assets of enterprises and, while retaining the legal person status of the enterprises, establishing new shareholding enterprises whose shares are also held by the original legal persons. Due to numerous reasons, some large and medium-sized state-owned enterprises have difficulty in transforming all their assets for the time being. They tend to convert some of their assets (certain branch plants or workshops) into shares. This writer holds that both ways are feasible, but attention should be given to the following when doing specific work. First, both ways of transformation are restructuring of the ownership of state-owned assets, on which the ultimate decisions should be made by the owners of the assets of the enterprises, namely the government, and which should be included in the local plans for the operating scope, organization, and structural adjustment of state-owned assets and never be decided by enterprises themselves just because they transform some of their assets. Second, the shareholding transformation of some assets should be conducted in such a way that they hold the legal person status. In other words, when transformed in line with the shareholding system, these parts of the assets are separated from and become subcompanies of the original enterprises and hold the civil responsibilities independently with their own property. Third, attention should be given to the difference between transformation of all the assets and transformation of some parts of the assets. Generally speaking, the former is the lateral reform of the organizational system of the property right of state-owned enterprises, which, in general, leads to a change in the enterprises from ones exclusively funded by the state into shareholding ones with mixed ownership. The latter is the vertical reform of the organization of the property right of state-owned enterprises, which leads to a dual ownership of state-owned assets, splitting the enterprise assets directly owned by the state formerly into two parts, with one directly owned by the state and the other indirectly owned by the state. Due to the different structure of property right, the government will adopt different ways to manage their property right.

Heilongjiang's Wuchang City Suffers From Hailstorms

SK3105043694 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 30 May 94

[Text] On 28 May, Wuchang city was hit by a series of three hailstorms. More than 510,000 mu of farmland in the city were afflicted at varying degrees, creating direct economic losses amounting to almost 10 million yuan. At present, peasants across the city are taking steps to combat disaster and to provide for and help themselves, and have decided to minimize the losses caused by the disaster.

During these hailstorms, 23 townships and towns in Wuchang city were affected, and the afflicted areas accounted for 21 percent of total cultivated land.

After the outbreak of disaster, the city leaders organized relevant departments to go deep to the disaster areas in time to help the masses formulate anti-disaster measures. At the same time, they also helped the disaster areas to

resolve the issue of funds totalling 130,000 yuan, 50 tonnes of diesel oil, and over 50,000 kg of early ripening crop seeds. All city-level units responsible for helping the disaster areas also went deep to townships and towns to help disaster-stricken masses resolve the issue of goods badly needed for the people's production and living. Activities of donating funds and articles are being carried out. At present throughout the city, more than 500,000 mu of farm crops for reseedling and transplanting has been destroyed.

Jilin Holds Meeting on Military Service Law

SK2805092794 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 27 May 94

[Text] The 10th anniversary of the promulgation of China's present military service law will fall on 31 May this year. To mark this anniversary, the provincial party committee, the provincial government, and the provincial military region jointly held a report meeting on national defense education at the auditorium of the organs of the provincial party committee on the morning of 27 May.

Wang Jinshan, deputy secretary of the provincial party committee, presided over the meeting. Leading Comrades He Zhukang, Shi Zhaoping, Gu Changchun, (Yuan Zaiping), (Ba Gula), (Zhang Kezhen), (Yang Qingning), and (Hu Pingui) as well as cadres at or above the deputy department level and the section level of the organs directly under the provincial authorities, more than 800 persons in total, listened to the report made by Qian Bo, deputy commander of the provincial military district, entitled "Performing Military Service Duty According to Law, and Vigorously Building National Defense."

In his report, Qian Bo again [words indistinct] and analyzed the significance of the military service law in building national defense. [passage indistinct] The army officers transferred to civilian work and the retired army men placed in the province have made great contributions to building the province on various fronts and to building the socialist material and spiritual civilizations. The province has persisted in the principle of letting the party manage the armed forces and have energetically strengthened the building of militia and reserve service forces, thus enabling the province's national defense and reserve forces to grow and expand in the course of carrying out reform and opening up. Since the beginning of this year, a total of 600,000 militiamen and reserve service men have participated in [words indistinct] and have undertaken and completed more than 100 construction projects. Since 1992 in particular, militia and reserve service forces in the province have energetically launched the activities of contributing to invigorating Jilin's economy, thus being much praised by the masses.

Wang Jinshan made a speech at the conclusion of the report meeting. He pointed out: Qian Bo's report has stressed on a variety of contents, ranging from history to present, from the world to the domestic China, from the economy to national defense, from the content of the law to the enforcement of the law, and from achievements to

problems. On the occasion of marking the 10th anniversary of the promulgation of the present military service law, we should conscientiously master this law in the course of studying, propagating, and implementing it.

Wang Jinshan pointed out in his speech: We should make greater efforts to profoundly launch the activities of studying and propagating the military service law throughout the province. We should spread the ideas that performing military service according to law is the bound duty of citizens and showing concern for and supporting the building of national defense is the duty of the whole society. We should regularize the propaganda of national defense building, with the military service law as the major content, in order to firmly foster throughout the province the sense of national defense, the sense of the legal system, and the idea of performing military service according to law. In combination with the studying and propaganda of the military service law, we should inspect and summarize the items stipulated by the military service law, and then find out problems in order to enforce the law in a down-to-earth manner.

In his speech, Wang Jinshan stressed: Leading cadres at all levels should be fully aware of their exemplary and leading role and should serve as the model in studying, propagating, and implementing the military service law. At the same time, leaders of party committees and governments at all levels should firmly grasp the principle of letting the party manage armed forces, actually list the armed forces work as a major item of their daily agenda, show concern for and support the national defense building, and resolve some major problems and adopt correct policy decisions in a timely manner in order to ensure the successful building of reserve forces and the successful fulfillment of all military tasks.

Liaoning Exposes Fraud at Grain Depots

SK2705143794 Shenyang LIAONING RIBAO in Chinese 16 May 94 p 1

[By reporters Shi Hang (0670 5300) and Liu Yongquan (0491 8673 3123): "Changtu's Extraordinarily Serious 'Grain Materials' Hidden Case Exposed to the World"]

[Text] The details of the extraordinarily serious hidden case of law breaches in the purchases of materials by the grain departments of Changtu County, about which the people across the province are deeply concerned, have been exposed and known to all thanks to the six months of all-out efforts by the Tieling city and Tieling County procuratorial organs to investigate the case. It has been ascertained that the case had incurred an economic loss of 68.22 million yuan to the state as calculated by grain departments after making an inventory and check of their stockpiles and capital. A total of 412 persons have been punished according to party and administrative disciplinary actions and criminal law or through economic sanctions; and 11 persons against whom lawsuits have been filed will be tried in the near future.

Changtu County is a renowned grain producer in the country, which purchases about 1 billion kg of grain every

year. Dozens of materials in large amounts, such as straw mats and stripes, are needed in grain storage. Due to poor management, grain departments of the county committed a large number of law breaches during purchases of the materials since 1990. Beginning September 1993, cadres and policemen of the Tieling City Procuratorate and the Changtu County Procuratorate made all-out efforts to investigate the case based on the reports by the masses and the written instructions by the principal leading comrades of the city party committee. In the process of handling the case, the standing committee of the Tieling city party committee heard reports on the progress on many occasions and gave timely support and guidance. This case also drew the extremely great attention of Supreme People's Procuratorate and the provincial procuratorate. Zhao Dengju, deputy chief procurator of the Supreme People's Procuratorate, came to Changtu County to hear reports on the case, which signified a great encouragement to the procuratorial cadres and policemen. Neither moved by money nor interfered by personal relations, the cadres and policemen surmounted numerous difficulties and managed to expose the case which, centering on Gui Bingquan, former director of the Changtu County Grain Bureau, involved some leading cadres and personnel of party and government organs, public security, procuratorial, and judicial departments, law-enforcing administrative departments, and economic management departments, who traded power for power, money, personal favor, and sex and cheated the state of a tremendous amount of money to line their pockets.

According to Wu Zhicheng, chief procurator of the Tieling City People's Procuratorate, the city and the county procuratorial organs have put on files for investigations 54 persons involving in serious and major offenses, such as embezzlement, bribe-taking, speculation, profiteering, dereliction of duty, extortion, misuse of public funds, swindling, and tax evasion, and two of them are cadres at deputy county level. Xu Lianzhong, former vice chairman of the county committee of the Chinese People's Political Consultative Conference, Gui Bingquan, former director of the county grain Bureau, and 12 others were arrested and brought to justice. Eleven serious offenders at large were listed as wanted, and some others were bailed out waiting for trials. As much as 32 million yuan of illicit money was seized.

Judging by the criminal facts exposed, the case was a shocking one. The large number of departments and persons involved, the great loss incurred to the state, and the evil means adopted by the lawless elements made the case a rare one in Liaoning in recent years. According to the investigations, the overwhelming majority of the 36 grain depots violated laws at varying degrees during the purchases of materials. Gui Bingquan and others abused power to give written approvals wantonly for some persons to sell materials regardless of the needs of the grain depots, through which they took bribes or enabled their relatives and friends to make huge profits. Persons obtaining the approvals then forcibly sold materials to grain depots to reap staggering profits. Some lawless persons used the approvals to collude with relevant personnel of grain

depots in making false receipts and certificates of the storage of the materials, cheating the grain depots out of money without even selling the materials. Moreover, Gui Bingquan's written approvals were directly sold. A written approval with some dozen poorly written characters was sold at tens of thousands of yuan at the lowest, the highest price being 135,000 yuan. A relative of Gui Bingquan earned more than 200,000 yuan from selling the approvals. Some women even sold their bodies in exchange for the approvals.

This law-violating case brought a tremendous economic loss to the state. The price for materials the county's grain departments bought were 16.9 million yuan in 1990, and it showed a sharp increase to 90.86 million yuan in 1991, and was increased again to 123.76 million yuan in 1992. Some grain depots spent as much as over 11.7 million yuan to purchase the materials, such as straw stripes, which could be used for 20 years, thermometers, which could be used for 40 years, and wire rope, which would not be used up for 100 years, creating large stockpiles. There were also a great amount of fake and inferior goods among the materials. Some ratsbane was colored rice, some thermometers were empty glass tubes, and some straw mats and stripes were far below the standards to "look like cushions and belts" as the masses put it. Even goods like this were purchased at the prices several times, ten times, and even dozens of times higher. Wire ropes that costed four to 10 yuan per meter were purchased at the price ranging from 85 to 105 yuan, earning lawless elements enough money to buy a Santana car after selling two bundles of wire ropes. Thermometers costed 0.45 yuan each in the market, but they were purchased at 1.50 yuan each. Ratsbane costing 10 yuan per 500 grams were purchased at 470 yuan. A report on the inventory of the property and capital of the grain departments of Changtu County showed that the county lost 68.22 million yuan in three years due to stockpiles of the materials, the high-priced low-quality materials, and the speculation in the purchases. However, some lawless elements earned their ill-gotten wealth totaling several hundred thousand yuan and even more than 1 million yuan. While they were spending freely the tremendous amount of money they appropriated from the state, some staff members and workers of grain depots faced the difficulty of overdue pay, and many peasants got only IOUs after a whole year's hard work. In view of this, many people reported the criminal activities of Gui Bingquan and other people in the past few years.

After the case was exposed, the vast number of cadres and the masses clapped and cheered. They voluntarily helped procuratorial organs investigate the case. There were a half sack of letters reporting the crimes. Punishment of corruption also rallied the efforts of the party and the people, making the county enjoy social stability and economic development. While investigating and handling the case, Tieling city party committee and government also summarized lessons. They made inventory of the property and capital of all the grain departments of the city to avoid new losses to the state.

This newspaper will publish relevant reports after the trials of the criminals to fully expose the details of the case and the process of cracking the case.

State Shares Change Owners in Liaoning's Anshan

SK0106080794 Shenyang LIAONING RIBAO in Chinese 20 May 94 p 1

[By Reporter Qin Youshun (4440 0645 7311): "The 10 Million Yuan Worth State Shares Change Owners for the First Time"]

[Text] On the morning of 9 May, based on the legal supervision and intermediate service by the Anshan City Property Right Trading Market, the ownership of 10 million yuan worth state shares was transferred openly for the first time, and the transaction formalities were completed on the spot by the buying and selling sides. This means a major breakthrough made by Anshan city in reforming the system concerning the ownership of state-owned assets.

By the end of last year, Anshan set up a total of 18 limited liability stock companies whose shares were partly held by the state. Three of the companies raising capital stocks from the public and selling shares to the public were listed; and 15 companies were raising capital stocks from fixed directions, with capital stocks totaling over 1 billion yuan, of which, 45 percent was held by the state. Judging from the experiments, however, some problems remain in the fields of further changing the operating mechanism of enterprises on the basis of the shareholding system, enabling enterprises to assume responsibility for their own profits or losses, and enabling holders of the same amount of shares to enjoy the same rights and same profits. Conspicuous manifestation is that state shares cannot participate in market operation and cannot be circulated, thus being unfavorable to the activation of state capital and to the optimization of industrial structure. For this reason, Anshan city has mapped out programs on operation and management of state shares, has established property right exchange organs, and is preparing for the form of exchanging stocks behind the counter. The Anshan Automatic Control Instrument Group Limited Company and the Wuhuan Industrial Limited Company, side A of this stock transaction in Anshan, respectively transferred out 4 million and 6 million state shares (ordinary shares) valued at 4 million and 6 million yuan. Each share was sold at the ratio of 1 to 1.1 to side B, the Anshan City Trust and Investment Limited Company. The Anshan Automatic Control Instrument Group Limited Company and the Wuhuan Industrial Limited Company are share-holding enterprises with good management results and high social reputation in Anshan city. The former generated more than 10 million yuan in profits last year, with an increase margin of 105 percent, and the latter developed rapidly and drew more dividends in the past two years. The Anshan City Trust and Investment Limited Company is an enterprise gaining handsome profits through the stock market. Both buying and selling sides of this dealing are strong players in the stock market.

Dalian Industrial Zone's Auxiliary Facilities Completed

SK3105080394 Shenyang LIAONING RIBAO in Chinese 19 May 94 p 1

[By reporter Zhang Peixia (1728 0160 7209): "Infrastructural Facilities of Dalian Industrial Zone Have Been Completed"]

[Text] On the morning of 18 May, more than 500 people, including the personages of all circles from Dalian Economic and Technical Development Zone and friends of all Japanese circles, gathered together at a piece of land where an upsurge in development has started in order to ceremoniously celebrate the successful completion of the infrastructural facilities of Dalian Industrial Zone, a major cooperation project that the governments, the peoples, and the industrial circles of both China and Japan have paid attention to.

Dalian Industrial Zone is the first project developed on a large scale by Japanese enterprises in China as well as the first project developed on a large scale with joint investment by Dalian and even China. This zone is developed with the investment jointly provided by China and Japan. A committee in charge of the development of Dalian Industrial Zone has been organized. This committee is composed of the managerial committee for Dalian Development Zone which stands for the Chinese side as well as 22 Japanese enterprises, including the Overseas Economic Cooperation Fund, Itochu, Matsushita, Maruko, Kokyo Bank, and Tokyo Bank. The total investment in the jointly-funded development and management limited company of Dalian Industrial Zone is \$65 million. The period for management of this company is 15 years. The right to utilization of 2.169 square kilometers of land for 50 years has been purchased from the management committee of Dalian Development Zone.

The construction of this zone started on October 19, 1992. So far, the infrastructural facilities of this zone have been completed. Simultaneously, 27 enterprises have formally been approved to enter the zone. Of them, seven started construction and two formally went into operation. A group of large enterprises of world fame with high technological levels and first-grade management levels, such as Shanwu [name as transliterated], Huoniweier [name as transliterated], Fuji Electronics and Machinery Company, Konica, Luomu [name as transliterated], and Baoshazao [name transliterated], have entered the zone in advance. The enterprises that will be introduced to the zone this year are expected to use approximately 60 percent of the total development areas. Some 80 to 100 enterprises will be introduced to this zone. The total investment will surpass \$600 million.

Li Tieling, member of the political bureau of the CPC Central Committee and state councillor, paid a special visit to Dalian to attend the ceremony for the completion of the infrastructural facilities. On behalf of the Chinese government, he extended warm greetings to the achievements made through the cooperation of China and Japan

and expressed cordial regards to the construction workers of both sides. He said: China and Japan should make greater headway in economic, trade, and technological cooperation. In the course of building Dalian Development Zone, the friends of all circles of Japan have constantly given us understanding and assistance. He hoped that both the Chinese and Japanese sides would further make efforts hand in hand, introduce high-quality projects, and make Dalian Industrial Zone become an example in large-scale development through Sino-foreign cooperation.

Present at the ceremony were personages of all circles in Japan, including Niwaki Kentaro, vice minister in charge of political affairs under the Ministry of Finance in Japan; Xiaoyuan Yutian [name as transliterated], consul of Dalian office under the Consulate General of Japan in Shenyang; and Hayashi Akirahiko, director of the Overseas Economic Cooperation Fund.

Also present at the ceremony were Sun Pinghua, president of the Sino-Japanese Friendship Association; Wang Shiyuan, vice chairman of the Economic Restructuring Committee under the State Council; Zhao Yundong, deputy director of the special economic zones office; Wen Shizhen and Gao Guozhu, vice governors of the Liaoning Provincial government; and responsible comrades of the provincial departments, commissions, and offices. Takeshita Noboru, former prime minister of Japan, sent a message of congratulation on the completion of the infrastructural facilities of the project.

Border Trade Booming in Liaoning City

OW3105131994 Beijing XINHUA in English 1246 GMT 31 May 94

[Text] Shenyang, May 31 (XINHUA)—Dandong, China's biggest border city, achieved a turnover of 17.34 million U.S. dollars in border trade from January to April this year, up 93 percent over the same period in 1993.

Located in northeast China's Liaoning Province, on the northernmost part of the country's coastline, the city is separated from the Democratic People's Republic of Korea by a river.

In its trade with Korea, Dandong exports grain, beef, meat, textile goods, household electrical appliances and light industry products, and imports steel, timber and aquatic products.

The city now has more than 170 companies doing business with Korean partners.

During recent trade talks in Pyongyang, the city's representatives signed 11.9 million U.S. dollars-worth of contracts for imports and exports with their Korean opposite numbers.

This year, the city has issued a set of measures to encourage the border trade.

Dandong was included in the opening up coastal area in 1988 and became a government-approved border trade zone in 1992.

Over 2.3 Million in Liaoning Escape Poverty

OW3105131394 Beijing XINHUA in English 1244
GMT 31 May 94

[Text] Shenyang, May 31 (XINHUA)—More than 2.3 million rural people lived in poverty-stricken areas in northeast China's Liaoning province are now able to earn more than 500 yuan a year, the provincial poverty line, after eight years of efforts by the government.

A relatively well-off province in China, Liaoning is quite imbalanced in its regional development and there were 3.6 million people living below the poverty line in 1986.

Under the government's preferential policies, adopted since 1986, areas in the eastern, western and northern parts of the province have been offered loans of more than 550 million yuan for upgrading and restructuring the local farming industry, enterprises and commercial sectors.

Preliminary success has been achieved. The aided projects have created tax-yields and profits of 330 million yuan and benefited some 700,000 families in the past eight years.

In addition, public facilities and infrastructure facilities have been improved: 49 highways—1,800 kilometers in all—and more than 100 new bridges were constructed. New irrigation channels and wells were upgraded. Drinking water problems for more than 1.24 million people and 260,000 head of livestock in these areas have been solved.

World Bank Loan Helps Liaoning Combat Tuberculosis

OW3005023294 Beijing XINHUA in English 0126
GMT 30 May 94

[Text] Shenyang, May 30 (XINHUA)—A loan from the World Bank has enabled nearly 6,000 tuberculosis patients in 14 cities in northeast China's Liaoning Province to have free medical treatment.

The free services include chest fluoroscopy, check-ups for tuberculosis bacillae in phlegm and medical treatment.

An official said that about 95 percent of those who contracted the disease for the first time have recovered. And for patients suffering relapses, the curative rate has also reached 75 percent.

The World Bank has provided interest-free loans for the program since 1992. Up to now, the province has received medicine worth 3.29 million U.S. dollars.

According to the provincial public health department, the local government has poured at least 22 million yuan into the program.

There are an estimated more than 165,000 tuberculosis patients in Liaoning Province.

Liaoning Hookup's Broadcasting Schedule To Change

SK3105055194 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 30 May 94

[Text] According to the arrangements by the propaganda department of the provincial party committee and the provincial radio and television department, from 1 June 1994, this station will change its the provincial hookup timetable from 0600-0615 [2200-2215 GMT] to 0700-0715 [2300-2315 GMT]. The program entitled "A Quarter in the Morning" that used to be broadcasted from 0600 to 0615 will be canceled. Simultaneously, from 1 June, a special news program entitled "Morning News" will be broadcasted from 0700 to 0715.

No changes will take place in the ideology governing the newly readjusted provincial hookup program which will continue to broadcast important news covering all parts of the province, bear the duty of disseminating the line, principles, and policies of the party Central Committee and the work arrangements of the provincial party committee and the provincial government, and undertake the major mission of mobilizing all people of the province to fulfill all tasks as set forth by the provincial party committee and the provincial government.

The newly organized morning news program consists of three columns, namely important news in brief; economic, scientific, and technological information; and Shenyang dispatch; including [words indistinct], provincial press news in brief, scientific and technological news, and sports news. This station will adopt direct broadcasting forms in an effort to provide the audience with the latest social trend reports in a timely and accurate way.

Prime Minister Meets Salvadoran President-Elect Calderon*OW0106091694 Taipei CNA in English 6740 GMT
1 Jun 94*

[By Lo Kuang-jen, Huang Kwang-chun and Danielle Yang]

[Text] San Salvador, May 31 (CNA)—Premier Lien Chan met with Salvadoran President-Elect Armando Calderon Sol and Vice President-Elect Enrique Borgo at a luncheon in the Republic of China [ROC] embassy in El Salvador Tuesday [31 May].

Calderon said at the luncheon that he appreciated Lien's visit. He added that he hopes the visit helps boost friendly bilateral ties.

The ROC has many friends in El Salvador, Calderon said, adding that the Salvadoran people admire Taiwan's assistance in developing the country.

Lien said El Salvador will make even greater progress under the leadership of Calderon. Lien, who served as ROC ambassador to the Central American nation 20 years ago, said the nation has made great progress since then.

Lien told Calderon that he is glad to come here representing the ROC Government and President Li Teng-hui to convey congratulations to Calderon. He expressed the hope that both countries can continue to cooperate.

During the luncheon, Lien invited Calderon to visit Taiwan again and wished Calderon health and success. Calderon visited Taiwan last October.

Also present at the luncheon were Vice Foreign Affairs Minister Fang Chin-yen, Economics Minister P. K. Chiang, Chairman of the Council of Agriculture Sun Ming-hsien, Director-General of the Government Information Office Jason Hu, Deputy Governor of Central Bank of China Yu Chen, ROC Ambassador Andrew Shen, Salvadoran Foreign Affairs Minister Miguel Angel Salaverria, and other high-ranking Salvadoran Government officials.

Meanwhile, Foreign Minister Salaverria told CNA that El Salvador will fully support Taiwan's bid to join international organizations.

After the luncheon, Lien met with Honduran President Carlos Roberto Reina and Costa Rican President Rose Maria Figueres.

Later in the day Wednesday, Lien will meet with Nicaraguan President Violeta Chamorro and Panamanian Vice President Guillermo Ford.

Lien arrived in El Salvador Tuesday and will proceed to Guatemala June 2. He is scheduled to return to Taipei June 7.

Russia To Open Taipei Office in Autumn*OW3105135094 Taipei CNA in English 1305 GMT
31 May 94*

[By Benjamin Yeh]

[Text] Taipei, May 31 (CNA)—Russia, which maintains full diplomatic links with Mainland China, will open a representative office in Taipei before the end of this fall, [passage indistinct] the Moscow-Taipei Economic and Cultural Coordination Commission said here Tuesday [31 May].

"The representative office is expected to be inaugurated very soon," Aleksey B. Remizov said. "We've discovered a suitable office here in Taipei."

The commission is authorized to handle private exchange [words indistinct] Russia and Taiwan in the absence of official diplomatic ties.

Initially, the representative office will not be authorized to issue visas directly to Taiwan citizens wanting to visit Russia. All the visa applications it receives here will be forwarded to Russia's consulate in Hong Kong for approval, according to Remizov.

The office will have approximately eight employees, with half of them locals, Remizov said.

There was earlier talk of setting up the long-awaited representative office, but none of the reports turned out to be true due to financial difficulties. "The budget to finance the establishment of the office was approved about a month ago," an elated Remizov said.

Remizov, who arrived here last Friday and will stay here for three weeks is concurrently the president of the privately funded Scientific-Technical Center [word indistinct] in Russia.

In addition to helping tackle the problems facing the new representative office, Remizov admitted he is also here to sign a contract worth US\$3 million with Acer Inc., Acton Technology and Zyxel for the purchase of computer equipment, which will be used by a Russian governmental organization.

He is optimistic about bilateral economic ties. Two-way trade between the two countries hit a record US\$450 million in 1992, and that's doubled to US\$900 million in 1993. The figure is anticipated to top US\$1 billion this year.

Still, he was reluctant to cover the slow progress on the other spectrum of bilateral ties, repeatedly stressing that Nikolai I. Ryzkov, the former prime minister of the Soviet Union, was visiting Taipei to handle that aspect of the relationship.

Remizov also ruled out the possibility of any arms deals between Taipei and Moscow, apparently for fear of affecting ties with Beijing. "The export of weapons from Russia is under tight control," he emphasized.

Taipei Not To Interfere in Hong Kong Political Operations

OW3105135294 Taipei CNA in English 1258 GMT
31 May 94

[By Bear Li]

[Text] Taipei, May 31 (CNA)—The Republic of China will not interfere in the political operations of Hong Kong even though it has been a firm supporter of democratic development in the British colony, President Li Teng-hui said Tuesday [31 May].

Li made the remarks while meeting a group of Hong Kong media representatives at the presidential office.

He said the government has been very concerned about the lives and well-being of Chinese in Hong Kong, and said regulations are now being drafted governing relations with Hong Kong, as well as Macao, to safeguard the rights and interests of the two colonies' residents after they revert to mainland rule in 1997 and 1999, respectively.

Turning to cross-strait relations, Li said Hong Kong has and will continue to have an important role to play. He said that instead of seeking detente with the mainland, as it has done in the past, Taipei in the future will try to push ahead with peaceful and positive exchanges with the mainland.

He said people on both sides of the Taiwan Strait should increase their mutual trust to build a foundation for national unification, but that the world should also understand that China is now divided and under separate rule.

He rejected Beijing's claim to sovereignty over Taiwan, saying that from a historical point of view, Tokyo returned Taiwan and Penghu to the ROC in the peace treaty it signed with Taipei in 1952.

"The Chinese Communists have never taken a step on Taiwan, nor have they collected a penny of tax from people on the island, so how can they justify their sovereignty claim over Taiwan?" Li asked.

He said the reason he called mainland officials "a bunch of bandits" after the March 31 Lake Qiandao disaster, in which 24 Taiwan tourists and eight mainland guides and crew were robbed and murdered, was because they had in the beginning tried to avoid taking responsibility for the incident.

Information Product Manufacturing World's 5th Largest

OW0106092194 Taipei CNA in English 0810 GMT
1 Jun 94

[By Sofia Wu]

[Text] Taipei, June 1 (CNA)—Taiwan has emerged as the world's fifth largest information product manufacturer, behind the United States, Japan, Britain and Singapore, trade sources said Wednesday [1 June].

Moreover, Taiwan tops the world in production of five kinds of computer hardware, including motherboards, mice, scanners, monitors and keyboards.

The semi-official China External Trade Development Council (CETRA) said Taiwan's computer hardware and software production amounted to US\$10.8 billion in 1993. If hardware manufactured by overseas Taiwan-owned companies was included, total output reached US\$12.5 billion.

CETRA officials said Taiwan produced 83 percent of the world's motherboards last year, 80 percent of all mice, 55 percent of all scanners, 51 percent of monitors and 49 percent of keyboards.

Taiwan's information industry grew fastest between 1983 and 1987, the officials said. During that period, annual exports of information products rose by an average of 60 percent.

The export growth rate has, however, slowed since 1988 due to a worldwide economic recession, the appreciation of the new Taiwan dollar, rising domestic labor costs and an exodus of keyboard and mouse manufacturers.

Nevertheless, the officials said, prospects for the local information industry remain good because Taiwan has an abundant supply of computer scientists and software developers. They predicted that the annual growth rate of Taiwan's information product exports will still reach 15 percent in the years ahead.

Textile Company's Plans in Northern Ireland Unchanged

OW0106091994 Taipei CNA in English 0830 GMT
1 Jun 94

[Text] Taipei, June 1 (CNA)—The Hualon Group is unlikely to reverse its plan to open a textile mill in Northern Ireland due to opposition from some European textile makers, the group's founder T. M. Weng said Wednesday [1 June].

Weng, a legislator, noted that the investment project in suburban Belfast, which calls for a total investment of 157 million British pounds (US\$235.5 million), has already been fixed.

Britain, which has offered various financial incentives to lure foreign companies to make investment, "invited" Hualon to establish such a mill, he stressed.

Hualon is scheduled to enter into an investment subsidy agreement with the British Government on June 9, which was approved by the Executive Commission of the European Union (EU) in early May, he elaborated.

Under the agreement, he said, the London government will provide 61 million British pounds (US\$91.5 million) in subsidies to the Hualon project.

The textile mill is expected to create 1,800 jobs in Northern Ireland, where unemployment reaches as high as 15 percent.

Weng made the remarks in reaction to news reports that European textile manufacturers are prepared to bring a complaint against Hualon.

The dissatisfaction with Hualon might stem from Hualon's strong competitiveness, Weng said, noting the combined production of its mills in Taiwan and Malaysia has made Hualon the world's largest man-made fiber producer.

He pointed out that the Northern Ireland investment plan was made by the Hualon Corp., a key affiliate of the group. The company is chaired by his younger brother Weng Yiu-ming.

Meanwhile, a CNA dispatch from London said that the London-based FINANCIAL TIMES Tuesday reported on the controversies surrounding the Hualon project.

The EU Executive Commission gave the green light to the Hualon investment plan after intensive lobbying by British officials and parliamentarians, the dispatch quoted the paper as reporting.

The paper also revealed that the two Weng brothers have been charged with breach of contract in Taiwan, which the CNA dispatch said has hurt Hualon's reputation.

Tourism Revenues Hit Five-Year High

*OW0106091894 Taipei CNA in English 0708 GMT
1 Jun 94*

[By Sofia Wu]

[Text] Taipei, June 1 (CNA)—Taiwan's tourism revenues reached US\$695 million in the first quarter of this year, the highest quarterly figure for the past five years, the Central Bank of China (CBC) reported Wednesday [1 June].

During the same period, overseas travel spending amounted to US\$1.82 billion, according to CBC statistics.

As a result, Taiwan still incurred a tourism deficit of US\$1.13 billion during the January-March period.

Taiwan's overseas travel bills have increased rapidly in recent years as more people go abroad for sightseeing and shopping. Government tallies show Taiwan residents spent US\$7.6 billion on overseas pleasure trips in 1993, nearly equal to Taiwan's total foreign trade surplus of US\$7.85 billion for the year.

Meanwhile, the Tourism Bureau reported that the occupancy rate at local tourist hotels reached 58.15 percent in the first quarter of this year, up 6.69 percent from the year-earlier level.

Tourist arrivals hit a high of 525,000 during the three-month period, an increase of 19 percent from the year before, the bureau said.

It attributed the rise partly to a new government measure to allow 120-hour visa-free stays for visitors from the United States, Japan, France, Britain, Germany, Austria, Holland, Belgium, Luxembourg, Canada, Australia and New Zealand.

Increased Nuclear Generator Capacity Worries Opposition

*OW3105143694 Taipei CNA in English 1318 GMT
31 May 94*

[By Debbie Kuo]

[Text] Taipei, May 31 (CNA)—A number of scholars Tuesday [31 May] blasted Taiwan Power Company's [Taipower] decision to increase the generating capacity of the proposed fourth nuclear power plant as "irresponsibly against the law."

At a hearing hosted by Kuomintang legislator Wang Shih-hsiung, Prof. Kao Cheng-yen of National Taiwan University said that Taipower's decision to increase the generating capacity of the King-liao plant from the originally proposed 1 million kilowatts to 1.3 million kilowatts without notifying the government and the public was a violation of the law that allows the building and budgeting of only a 1 million-kilowatt nuclear facility.

Prof. Wang Tu-fa of National Chunghsing University added that Taipower failed to present an environmental-impact assessment before it decided to enlarge the plant's generating capacity. [word indistinct] Yung-jen, an official with the Department of Health, said an environmental-impact assessment report is vital because the 1 million kilowatt plant will increase the temperature of seawater near the Kung-liao plant by only 2.8 degrees centigrade, but if the generating capacity of the plant is increased to 1.3 million kilowatts, the seawater temperature will rise by 3.16 degrees, which he said would be a costly blow to the coastal area's ecological system.

The greater generating capacity would also mean larger governmental expenditures and greater social costs, Ko Cheng-yen, the vice chairman of the Taiwan Environmental Protection Union, said.

In response to the criticism, Taipower Chairman Chang Chung-chien said the 1.3 million-kilowatt reactor is less prone to accidents than the 1 million-kilowatt reactor, and produces a lower level of radiation and less nuclear waste.

Vice Economics Minister Yang Shih-chien, who was also present at the hearing, disagreed that Taipower's increased capacity plan is illegal, saying that the original proposal for the fourth nuclear power plant had a capacity "ranging from 900,000 kilowatts to 1.35- million kilowatts."

Government Registers Surplus in Balance of Payments

*OW0106091794 Taipei CNA in English 0713 GMT
1 Jun 94*

[By Sofia Wu]

[Text] Taipei, June 1 (CNA)—Taiwan registered a US\$1.67 billion surplus in its balance of payments in the first quarter of this year, the most favorable quarterly balance since 1992, the Central Bank of China (CBC) said Wednesday [1 June].

CBC officials attributed the surplus to increased capital inflow. Taiwan saw a net capital inflow of US\$1.76 billion during the January-March period. It was the first time the country's capital account ended in the black since 1988.

The balance of payments is a system recording all of a country's economic transactions with the rest of the world during a specified period of time. It is usually divided into the capital account, which records short and long-term capital flow, and the current account, which records merchandise and service trade as well as unrequited money transfers.

In the first quarter of this year, Taiwan's current account surplus declined to a 13-year low of US\$272 million due to a sharp decrease in the merchandise trade surplus.

Taiwan's foreign trade surplus totaled only US\$240 million during the January-March period because of sluggish exports and a continued rise in imports.

The aggregate capital and current account surplus should be US\$2.03 billion in the first quarter of this year. Excluding net errors and omissions, the CBC put the country's balance of payments surplus at US\$1.67 billion.

Government Orders Fishing Boats To Leave Mediterranean

*OW3105143494 Taipei CNA in English 1320 GMT
31 May 94*

[By Benjamin Yeh]

[Text] Taipei, May 31 (CNA)—In an effort to protect stocks of bluefin tuna in the Mediterranean Sea, the Council of Agriculture [COA] on Tuesday [31 May] asked all Taiwan fishing boats to leave the Mediterranean before June 7 or have their licenses revoked.

"Owners of fishing boats found violating the order will be severely punished in accordance with the law," the COA's fisheries department warned.

The stern warning, according to the council, is part of the international effort to protect bluefin tuna, which is under threat of extinction. The bluefin tuna spawn in the Mediterranean Sea, the most [words indistinct] spawning ground in Europe, from June through July.

CAL Heads Tender Resignations Over Nagoya Accident

*OW3105143094 Taipei CNA in English 1323 GMT
31 May 94*

[By Bear Li]

[Text] Taipei, May 31 (CNA)—Both Chairman Liu The-min [name as received] and General Manager Yuan Hsing-yuan of China Airlines [CAL] on Tuesday [31 May] offered to resign to take responsibility for the CAL airbus crash in Nagoya, Japan on April 6.

The cause of the accident, the second worst in world aviation history, with 264 of the 271 passengers and crew on board killed, remains under investigation.

The national flag-carrier of Taiwan has offered NT [new Taiwan] \$4.1 million (US\$153,000) in compensation to the relatives of each victim.

Liu said he is determined to step down even though CAL's board of directors refused to accept his resignation offer.

Liu said Yuan had also tendered his resignation.

New Indirect Airlink With Mainland Announced *OW3105141294 Taipei CNA in English 1331 GMT 31 May 94*

[By Debbie Kuo]

[Text] Taipei, May 31 (CNA)—Makung Airlines will start servicing a Kaohsiung-Laoag-Xiamen flight in June, offering Taiwan travelers a cheaper and shorter route to Mainland China than via Hong Kong.

Laoag is a city in the northern Philippines. Xiamen is in coastal southern Mainland China.

"It will take about two hours and NT [new Taiwan] \$11,000 (US\$407) to travel from Kaohsiung to Xiamen via the Philippines," said Makung's Chairman, Chen Wen-wu. It costs at least NT\$15,08, (US\$555) and three to four hours to travel from Taiwan to the nearest spot in the mainland via Hong Kong.

"The new route will significantly benefit residents in southern Taiwan who previously have had to travel to Chiang Kai-Shek International Airport in northern Taiwan because of the shortage of seats for Kaohsiung-Hong Kong flights," Chen added.

Makung Airlines made the announcement that it would start servicing the route Tuesday [31 May] after the company was given permission by the government to conduct direct charter flights between Kaohsiung and Laoag.

After arriving in Laoag, Taiwan travelers will be flown on the same flight to Manila, there they will then board South China Airline planes to Xiamen.

Makung will service the Kaohsiung-Laoag route with a Boeing 757 recently leased from the United States, while South China Airlines is planning to offer a Boeing 737 service for the Manila-Xiamen flight, Chen explained.

Hong Kong**Zou Jiahua Meets Visiting Hong Kong Industrialists***HK3105052594 Beijing ZHONGGUO XINWEN SHE in Chinese 1316 GMT 18 May 94**[By reporter You Xiayin (3266 1115 5419)]*

[Text] Beijing, 18 May (ZHONGGUO XINWEN SHE)— This afternoon, Zou Jiahua, vice premier of the State Council, met a visiting delegation from the five associations of the plastics industry of Hong Kong headed by Leung Kei-yau at Ziguangge in Zhongnanhai.

Zou Jiahua first asked about the current condition of the plastics industry, one of the pillars of Hong Kong's manufacturing industry and its investment in mainland China.

He told the guests that the petrochemical industry had become an indispensable part of China's economic development, and the mainland was also going all out to develop petrochemical and related industries in order to meet increasing market demand. He also mentioned many times that Hong Kong's plastics industry will play a big role in promoting economic cooperation between Hong Kong and the mainland and promoting that industry's production in the mainland.

As requested by the guests, Zou Jiahua gave a detailed explanation of the Chinese Government's position and viewpoint on the development of Sino-U.S. relations and the most-favored-nation status issue. He held an optimistic attitude toward the prospect of solving relevant problems and expressed confidence in overcoming possible obstacles and difficulties.

He also answered questions about strengthening macro-economic control and curbing high inflation.

Jing Shuping, chairman of the National Federation of Industrialists and Businessmen, and Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office, attended the meeting.

In addition, tonight, Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and director of the CPC Central Committee's United Front Work Department, and Wan Shaofen, deputy director of the United Front Work Department, also met with the delegation headed by Leung Kei-yau.

Li Ruihuan Meets Hong Kong Businessman-Donor*OW3005165794 Beijing XINHUA in English 1345 GMT 30 May 94*

[Text] Beijing, May 30 (XINHUA)—Li Ruihuan, chairman of the Chinese People's Political Consultative Conference (CPPCC), met here today with Peter Chiu, managing director of the Hong Kong Health Food Enterprise Company, and his wife Cheung Yeuk Lee.

Chiu and his wife made the trip to donate six million yuan to build 100 primary schools in poor regions on the mainland.

Li spoke highly of the action and said that people around the country were paying great attention to education, one of the most important and outstanding problems in China now.

In recent years, Li said, many patriotic overseas Chinese and compatriots in Hong Kong and Macao have donated large amounts of money to help build schools in poor areas. The donors should be praised, he added.

He also expressed his hope that relevant departments on the mainland cooperate closely with donors and apply their donations to yield effective results. For instance, with support of the United Front Work Department of the Chinese Communist Party Central Committee, Taiwan entrepreneur Kander Lee's donation has achieved real results in development of education, he said.

The 100 schools underwritten by the couple, under arrangements by the United Front Work Department of the Chinese Communist Party Central Committee, are expected to be finished by the end of 1995.

Part of the donation will be used to construct "Chunlei Primary Schools", sponsored by the All-China Women's Federation exclusively for girl dropouts.

Lu Ping Signals Interest in Progress on Airport*HK3105064494 Hong Kong EASTERN EXPRESS in English 31 May 94 p 1*

[Text] Lu Ping, the director of Beijing's Hong Kong and Macao Affairs Office, last night signalled China's willingness to make progress on the much-delayed talks over the building of the territory's ninth container terminal and the new airport. Lu's remarks indicate a significant gesture by China to improve the atmosphere surrounding talks on economic matters. However, Lu's seeming desire for progress in talks has in the past been followed by serious backtracking.

Lu told a Hong Kong Chamber of Commerce delegation in Beijing that the issue of Container Terminal 9 (CT9) should be approached "from the commercial perspective" rather than "mixing it up with political factors." Lu said, however, that China could not proceed to discussions with the British side before the Hong Kong Government had finalised arrangements with developers. He said that "economic rules", rather than "political trading" should be the guideline for building CT9.

Anson Chan, the Chief Secretary, last night welcomed Lu's remarks. "We accept Lu's comment with delight but the government has never mixed the CT9 issue with any political factors. The government is now discussing development rights with consortia," she said, adding Hong Kong hoped to settle the matter as soon as possible as container terminals were very busy.

Lu also said Beijing "genuinely wished" to maintain its cooperation with Britain in other areas, citing the progress made during the latest talks on the financial arrangements for the new airport project. Both sides had agreed to discuss the Airport Corporation Bill and hoped to reach a general agreement on financial arrangements.

John Meredith, managing director of Hong Kong International Terminals (HIT), has said that construction costs have increased by about 20 percent as a result of the lengthy delay.

Interested developers include a consortium formed by Modern Terminals Ltd (MTL), HIT, the state-owned China Ocean Shipping Corporation, and the Jardine Pacific-led Tsing Yi Container Terminal group.

Turning to other matters, Lu called for an increase in the number of meetings of experts from both sides under the Joint Liaison Group (JLG). He urged the speeding up of work on localizing Hong Kong's laws, only some of which could be left until after 1997. He invited Hong Kong's "business friends" to suggest which laws had to be adapted and approved (by the JLG) as soon as possible.

On the issue of permanent right of abode for returning Hong Kong emigrants, Lu said China welcomed Hong Kong returnees. He promised that China would formulate a "lenient policy" and "more simple approaches" to enable them to continue to live and work in Hong Kong.

Editorial Views Decision To Renew MFN

HK2805052594 Hong Kong SOUTH CHINA
MORNING POST in English 28 May 94 p 16

[Editorial: "Waiting for Dialogue"]

[Text] Business leaders were so confident that President Bill Clinton would renew China's Most Favoured Nation (MFN) status, that its reaction yesterday was almost dismissively blasé. Yet the territory has reason to be thankful Mr Clinton was prepared to brave the domestic fall-out from his U-turn for the sake of the larger economic and geostrategic advantages of continued "engagement" with China.

The President said there were 150,000 American jobs at stake supporting trade with China. Hong Kong's far smaller economy stood to lose at least 75,000 jobs—the rough equivalent in U.S. terms to putting two million out of work and an immediate loss of earnings equivalent to more than four per cent of its Gross Domestic Product. In the longer term, there would have been some reinvestment in manufacturing here, as industrialists pulled out of China, but the overall picture would have been even bleaker. Hong Kong's economic lifeblood comes from its role as a trade, services and finance hub for China. Remove that role, and it loses its engine of growth and prosperity and the importance to the industrialised world that has kept it in the international eye for so long.

Realistically, the separation of trade and human rights which MFN renewal represents means Hong Kong could hope for little material support from the West if future

Chinese rule proved oppressive. Yet revocation of MFN would have set Hong Kong on the way to economic and political irrelevance. If that happened, support from the U.S. would be equally limited.

But if Hong Kong has something to be thankful for, many will also join human rights campaigners in expressing scepticism at Mr Clinton's commitment to using engagement to lay the basis for what he called "long-term sustainable progress in human rights and ... the advancement of (America's) other interests with China".

The programme he spelled out—maintaining the post-Tiananmen sanctions; banning the import of guns and munitions from China; increasing Radio Free Asia [as published] and Voice of America broadcasts; and boosting support for non-governmental human rights bodies—falls far short of the comprehensive diplomatic engagement he promised. He made no mention of a human rights commission, whether bilateral or unilateral, to monitor Chinese abuses and bring them to the attention of the authorities. He was vague about the kind of dialogue with Beijing leaders that would be effective in boosting human rights.

It would be sensible to wait before announcing such measures to consult China and to try to involve it in working out the detail, rather than engaging in counter-productive megaphone diplomacy. But Mr Clinton cannot expect to continue indefinitely without a discernible programme of engagement on human rights issues. Separating human rights and MFN should not mean abandoning all commitment to bolstering human liberties under what remains a repressive regime.

Dissidents May Affect 'One Country, Two Systems'

HK3105135994 Hong Kong WEN WEI PO in
Chinese 30 May 94 p A2

[Editorial: "'One Country, Two Systems' Must Not Be Undermined"]

[Text] When delivering a speech in Hong Kong in early May, Lu Ping pointed out: "It was on the basis of Hong Kong's economic value that China drew up the current policy on Hong Kong" and "there are always a handful of people who naively believe that they can turn Hong Kong into a political city which can influence the mainland politically." Lu Ping's remark met with the approval of former Hong Kong Governor Maclehoose, who thought Lu Ping's speech deserved due attention from the people of Hong Kong.

Former British Foreign Secretary Geoffrey Howe also made a speech in late May. He pointed out that it is not sensible for anybody to try using Hong Kong as a "bridgehead" for changing the mainland, as this might spell destruction for Hong Kong. If Hong Kong wishes its existing system and lifestyle to be preserved without intervention from the mainland, Hong Kong should not be used as a "bridgehead" in any attempt to change the mainland. We should respect China's idea of not wanting to be changed or challenged by Hong Kong.

Anson Chan also pointed out on 26 May: "Outsiders come to Hong Kong, trying to use Hong Kong as a base to carry out subversive activities or interfere in China's internal affairs. Naturally, we citizens of Hong Kong do not wish them to use Hong Kong as such a base."

Why were these remarks made? Because one foreign country at one time took in a batch of so-called "pro-democracy activists" who attempted to subvert the Chinese Government, providing them, in addition to food and clothing, with "political asylum." These people are indeed very "free" and carefree and have even managed to move their families abroad, but their bosses do not want them to stay idle and tell them to return to the mainland to carry out subversive activities against the Chinese Government. Han Dongfang's claiming that he would return to the mainland to organize a solidarity trade union [as published] was obviously to make trouble out of nothing. Who remitted money to Han Dongfang to make sure that he had enough to eat and could carry out anti-China activities? It was none other than the American Federation of Labor-Congress of Industrial Organizations [AFL-CIO], the anti-communist organization which has been a staunch advocate of economic sanctions against China. Han Dongfang's recent providers have been the members of the Alliance in Support of the Patriotic and Democratic Movement in China [ASPDMC].

The mainland's political situation is stable at present, but some people, relying on the backing of foreign countries, are running counter to the keen wish of the 1.1 billion Chinese people to concentrate on economic construction and improving their livelihood in an environment of stability and unity. They want to change the mainland's current situation and its system. Following in Han Dongfang's footsteps, they vie with each other to get to Hong Kong and put on a "show" first, before moving on into the mainland via the springboard of Hong Kong to make trouble. The purpose of such people as Wuer Kaixi, Liu Binyan, and Ruan Mingzhi [7086 6900 0037] in coming to Hong Kong is none other than to join the ASPDMC, fan the flames of disorder, and "put out feelers" before returning to the mainland to make trouble. They want, first of all, to sound out the political climate in Hong Kong; second, to elicit a response from the mainland with Hong Kong as the bridgehead; and third, to try to drag out their stay in Hong Kong, just like Han Dongfang.

The purpose of their transferring the base for challenging and confronting the mainland to Hong Kong is obviously to drag Hong Kong into the political whirlpool; undermine the relationship of harmonious coexistence between Hong Kong and the mainland; and therefore damage the prosperity, stability, and smooth transition of Hong Kong and change the orientation of "one country, two systems."

The feasibility of "one country, two systems" is subject to the prerequisite that the system of socialism is not interfered with, subverted, or sabotaged and that Hong Kong's economic development is conducive to socialist construction. This is where the value of a capitalist Hong Kong lies. If some people attempt to change the system of socialism

using the system of capitalism, they are bound to cause clashes and confrontation between Hong Kong and the mainland, which would spell disaster to Hong Kong. The implication of Hong Kong's being an economic city is that it plays a positive role in the development of the Chinese economy. If Hong Kong becomes a political city and is used by some people as a base for changing the mainland's political system, the mainland will certainly consider responding to the act of one system interfering in another.

The wish of the 6 million Hong Kong people is that the mainland system will not change the system in Hong Kong. This wish has been respected by the mainland, which set it down in Annex I of the Joint Declaration and the Basic Law. But the mainland's wish is that Hong Kong should also respect the system of the mainland and not attempt to change it. Jiang Zemin delivered a well-known speech on "well water not mixing with river water." Is it not very unfair if Hong Kong does not respect the wish of the mainland and yet hopes that the mainland will respect the wish of the Hong Kong people?

Respect is mutual. Only when two systems respect each other can one country, two systems be implemented. If one system does not respect the other system and tries to bring it down, the implementation of "one country, two systems" will suffer. The ASPDMC's recent statement of its position indicates that they are impenetrably thick-headed. They still want to use Hong Kong as a base to carry on with the confrontation. This is like playing with fire that will make Hong Kong and the people of Hong Kong suffer.

ATV 'Backed Down' on Not Screening Tiananmen Program

HK0106031094 Hong Kong SOUTH CHINA MORNING POST in English 1 Jun 94 pp 1, 2

[By Linda Choy]

[Text] The management of ATV yesterday backed down from its refusal to screen a documentary on the Beijing massacre, after journalists resigned over the station's self-censorship. Executives pledged to "return" to the News and Public Affairs Department the power to decide whether the film would be shown as planned on Saturday night, the fifth anniversary of the military crushing of the pro-democracy movement. Chief Executive Officer Mark Lee Po-on told the journalists who had resigned that the news team were to "have the final say" on the matter.

But the six—all holding key positions in the department—have yet to decide whether to withdraw their resignations. They will meet the management again today to discuss questions related to the independence of the News Division. Deputy Chief Executive Clarence Chang Ching-po, who has overall control of the News Division, will probably be absent from the meeting. Mr Chang flew to Taiwan on a business trip on Monday afternoon. His announcement last Friday morning that the film should not be screened triggered an outcry within and outside the station about media self-censorship in matters sensitive to China.

The 40-minute Spanish production contains about seven minutes of footage of the situation in Tiananmen Square between 4 am and 7 am on June 4, 1989. The film, shot from the Monument to the People's Heroes, is the first visual record to show what happened in the square during the three-hour news ban. It supports the long-held version from Chinese officials that there was no killing in the square.

The management reportedly was of the view that there was nothing special in the film, and that it failed to show the "overall situation" in Tiananmen Square. They also apparently held that it would do no good to Hong Kong to discuss the issue again. Yesterday, however, the management insisted the incident in the newsroom had arisen from communication problems.

Mr Lee said the management and the News Division had different views on when the Spanish production should be scheduled. The News Division intended to screen it on the current affairs programme News Magazine while the management preferred it be shown in One Day, a programme looking back at historical events. "Management has now decided to let the News Division have the final say in this matter, by leaving it to those in charge of the programme to decide when and how it should best be presented," Mr Lee said.

Assistant Controller of ATV's Public Relations and Publicity Department Lu Fung claimed that it was the management's intention to preserve the independence of the News Division. She insisted that the company had still been in the course of discussion with the journalists regarding the programme when the resignations were submitted. It had been decided to "return to the department the rights of decision", she said. But Ms Lu did not explain why a promotional segment of the programme had been withheld late last Thursday.

Assistant News Controller Selina Li Yuk-lin, one of those who resigned on Monday, rejected the management's explanation that the whole incident was due to a misunderstanding. "My understanding is that at one point, a decision was made to ban the programme," she said. Executive editor Lo Wing-hung said Mr Chang had told the news team that the management would not change its mind, despite the resignations. The management offered the alternative screening in One Day only on Monday, after she and Acting News Controller Poon Fu-yin indicated they would resign, Ms Li said. "But the point is that it should be up to us to decide when and how to screen programmes," she said.

Mr Poon said the news team would stick to the original plan and run the programme at 10.30 on Saturday night, almost the exact time the military began their crackdown five years ago.

The television station's initial decision to suspend the programme came under fire from a number of social groups. Ten people, including pro-democracy activist Lau

Shan-ching, staged a protest at the ATV building in Broadcast Drive, Kowloon Tong. They shouted slogans to condemn ATV management for tampering with the freedom of the press. Spokesman for the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, Cheung Man-kwong, also criticised the move. He said the screening would give a clearer picture of the situation in Tiananmen Square and should not be banned for commercial or administrative reasons.

Statistics on Hong Kong's External Trade Development

OW2705161894 Beijing XINHUA in English 1516
GMT 27 May 94

[Text] Hong Kong, May 27 (XINHUA)—The value of Hong Kong's total exports grew by 8.1 percent in the first four months of this year over the same period of last year, the Census and Statistics Department announced today.

Among the total, the value of re-exports rose by 13 percent, while that of domestic exports fell by 7.8 percent, according to external trade figures released by the department.

Supported largely by the continued expansion in Hong Kong's re-export trade, the value of imports showed an increase of 9.5 percent.

These led to a visible trade deficit of 24.4 billion H.K. dollars (3.13 billion U.S. dollars in the first four months, equivalent to 6.8 percent of the value of imports during the period.

This compared with a deficit of 18.4 billion H.K. dollars (2.34 billion U.S. dollars), equivalent to 5.6 percent of the value of imports, recorded in the same period of last year.

Commenting on the trade figures, a government spokesman said that the performance of re-exports was still quite robust, although the growth rate had moderated somewhat from last year.

The spokesman attributed the moderation mainly to slower growth in re-exports to the Chinese mainland, the United States and Germany.

Mainland Builders Said Involved in Property Scams

HK0106031194 Hong Kong SOUTH CHINA
MORNING POST (PROPERTY POST) in English
1 Jun 94 p 1

[By Don Lyons]

[Text] Mainland developers are "dumping" cheap property on to the Hong Kong market and many people are pouring their money into projects that will never get built, warned a top Guangzhou government official. Liu Xietan, deputy director of the Guangzhou Land Bureau, said a lot of mainland projects now being advertised in Hong Kong "could not be sold at such prices".

Local realtors are warning that investors stand to get badly burnt if they do not do their homework before buying flats on the mainland. Favoured locations for these property scams include those which have in the past proved popular for Hong Kong residents as investment havens. These include Zhuhai, Dongguan, Zhongshan and Panyu.

Not a day or night goes by that Hong Kong people are not bombarded with full-page print ads and splashy TV commercials featuring flats for sale in these locations. According to an agent at Hong Kong real estate agents Land Power, there can be as many as 30 property exhibitions on a given weekend in Hong Kong. The asking price for many of these flats is ridiculously low—\$100,000 compared to the current asking price of \$3 million for an average flat in Hong Kong. Developers also offer between \$20,000 and \$50,000 worth of free household appliances to the purchaser. Financing terms are also enticing. The developers advertise no down payment an interest-free mortgage, no lawyer's fees and no management fees.

Hong Kong agents say they doubt developers can afford to sell the flats so cheaply. "It may be possible," said Allan Lee of Richard Ellis. "But it seems to us unrealistic for them to be able to earn a profit at these prices." He and other agents said that, at these prices, buyers could find themselves paying all sorts of extra fees in water, sewage and management fees.

But the same agents agree that the ads are enticing. "Many people in Hong Kong have relatives in these areas," said one agent. "These flats are big by Hong Kong standards (more than 1,000 square feet) and they each have a balcony. "And maybe the \$100,000 price tag has some kind of psychological impact," she said.

But agents said the most likely reason developers offered these flats so cheaply was because they were strapped for cash. "Ordinarily, they must get the money before they actually start construction," said the Land Power representative. Other agents said it was conceivable that a developer would sell one project to raise capital for a project already in financial trouble. To the consternation of the buyers, it is usually many months down the road when they find out that the developer has taken the money and run.

They said the simple solution, was to find a reputable developer. But that was not as easy as it sounded. Most of these unscrupulous developers had received the required paperwork and licences from government officials giving them the go-ahead to develop and sell the property. Therefore, getting a look at their sales permits, pre-sale permits, construction permits and all the other documentation was usually not the problem. The documentation was valid, but maybe not the developer's resolve.

One realtor who asked for anonymity said: "This sort of problem occurs in the more remote areas. In the city centre, supervision is much tighter. But, in other areas, as long as you have good connections with the government officials they will give you the documentation. In most cases, the site is too far away for them to go and investigate and find out how much work is actually going on," he said.

They just give the developer all the documentation he needs." But, in many instances the authorities never check the site. They just believed the developer and approved the licence.

Hong Kong, Sweden Sign Investment Agreement *OW2705161794 Beijing XINHUA in English 1520 GMT 27 May 94*

[Text] Hong Kong, May 27 (XINHUA)—An agreement aimed at promoting and protecting mutual investment between Hong Kong and Sweden was signed here today.

Speaking at the signing ceremony, T.H. Chau, secretary for trade and industry, said that the agreement would further strengthen the excellent economic ties between the two areas.

According to Chau, the agreement provides investors from both sides with guarantees of fair treatment, the unrestricted right to transfer investments and returns, and proper compensation in the event of losses owing to expropriation.

The agreement, the fourth of its kind Hong Kong has signed, will enter into force 30 days after signature and remain effective for an initial period of 15 years.

Number of HIV-Infected Persons Rises to 442 *OW3005165994 Beijing XINHUA in English 1535 GMT 30 May 94*

[Text] Hong Kong, May 30 (XINHUA)—The local health department announced here today that three new AIDS cases were found last month in Hong Kong.

Meanwhile, the department found seven people, six men and one woman, to be positive to the HIV antibody test.

This brought the total number of HIV infected persons in Hong Kong to 442.

Of the 442 infected people, 166 acquired the infection through homosexual or bisexual sex, 163 through heterosexual sex, 65 through contaminated blood or blood products before 1985 when HIV antibody test and safe heat treated clotting concentrates were not available. 11 were injecting drug users.

For the remaining 37, the information available was inadequate for classification.

Macao

Macanese Officials React to MFN Renewal *OW2805042394 Beijing XINHUA in English 0408 GMT 28 May 94*

[Text] Macao, May 29 (XINHUA)—The continuity of China's most favoured nation (MFN) trading status was not only beneficial to China's economic and trade development, but also good for Macao's economy.

Maria Gabriela dos Remedios Cesar, director of the Macao Government's economic department, was quoted

by local newspapers as saying that the continuity of China's MFN status was a good news for businessmen and also was favourable for steady development of Sino-U.S. trade relations.

In another development, chairman of the Macao Export and Import Association Victor Ng said it was a sensible act of the U.S. Government to continue China's MFN status, for it is good for economic development of both sides.

He also said that it was a good thing that the U.S. Government has ever done to separate human rights from MFN issue. However, he added, it is hard to understand that the U.S. Government use munitions as a condition for continuity of China's MFN status.

Report on Growth of Macao-Mainland Trade Activities

OW3105142894 Beijing XINHUA in English 1353
GMT 31 May 94

[Text] Macao, May 31 (XINHUA)—Statistics show that up to April this year, a total of 54 provinces and cities from China's mainland have held 161 export fairs in Macao since 1982, with the total transaction volume standing at over 3 billion U.S. dollars.

Officials of the Nam Kwong Exhibition Center said that more than 800,000 overseas businessmen attended the 161 trade fairs in the past 12 years.

In the first four months this year, six provinces and cities from China's Mainland have held trade fairs in Macao. The total transaction volume reached 127 million U.S. dollars and contracted investment stood at 12.8 billion U.S. dollars.

The officials said that Macao now has trade relations with more than 100 countries and regions worldwide, which have become important trade channels for Chinese Mainland.

They said that Macao is a historical free trade port with free flow of foreign currencies and capital and low tax rate, and the place also enjoys preferential tariffs and trade quotas granted by Western countries.

Officials from the Nam Kwong Exhibition Center also said that there would be 15 more provinces from China's Mainland to hold trade fairs here starting June.

Macao Reports Increase in Bank Assets for 1993

OW2705162094 Beijing XINHUA in English 1516
GMT 27 May 94

[Text] Macao, May 27 (XINHUA)—Macao's total banking sector assets, not including that of the Macao Monetary and Foreign Exchange Authority, increased by 26.7 percent to 106.8 billion patacas (about 13.3 billion U.S. dollars) at the end of last year, according to local government statistics.

Figures released by the Macao Monetary and Foreign Exchange Authority showed that in 1993, local domestic credit grew by 37.9 percent to 31.4 billion Macao patacas (about 3.9 billion U.S. dollars), while the net foreign assets went down by 12 percent to 3.5 billion U.S. dollars.

Circulation in patacas, Macao's only legal tender, recorded an annual growth of 11.6 percent, totalling 1.08 billion at the end of last year. The Macao pataca is directly converted to the Hong Kong dollar at a rate of one pataca against 0.97 Hong Kong dollars.

Statistics also show that the net foreign assets of the Macao Monetary and Foreign Exchange Authority, as Macao's quasi-central bank, grew by 20.3 percent to 12.5 billion patacas (about 1.56 billion U.S. dollars).

Macao's banking sector consists of six local banks, 13 banks incorporated abroad, one off-shore bank, a post savings bank and the Macao Monetary and Foreign Exchange Authority.

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